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# China Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

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14 January 1985

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**POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS**

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GENERAL

GUOJI WENTI YANJIU ON UNITED STATES, JAPAN, ASEAN

HK050401 Beijing GUOJI WENTI YANJIU in Chinese No 4, 13 Oct 84 pp 10-18

[Article by Pei Monong [5952 7817 6593]: "On the Trilateral Relationship of the United States, Japan, and ASEAN"]

[Text] The trilateral relationship of the United States, Japan and ASEAN (the ASEAN members referred to in this article include Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei, which became independent and a member of the ASEAN in January 1984, is not included for lack of relevant information on it) are an international setup which has gradually come into existence since World War II. It is also a historical phenomenon produced under some special circumstances. These relationships are based mainly on their economic interdependence, diplomatic cooperation, and strategic interdependence apart from their similarities in ideology and political systems. Contradictions and struggles occasionally haunt these relationships. These trilateral relationships are playing, and will continue to play within a historical period, an important role in the international relations in the Asian-Pacific area.

Economic Contention Between the United States and Japan in ASEAN

In addition to supplying raw materials to the United States and Japan, ASEAN members contribute to the economic prosperity of these two countries by providing markets for their commodities and by absorbing their investment. Both the United States and Japan look forward to these countries' support for their development strategies in the Pacific area.

One can get a glimpse of the contention between the United States and Japan for ASEAN from the trade and investment situations.

Trade. The average annual growth rate of U.S. exports to ASEAN in the 1970's, calculated on the basis of current prices, was 22.4 percent, in other words, 17.3 percent higher than the average annual growth rate of the total volume of U.S. exports. The average annual growth rate of U.S. imports from ASEAN was 26.8 percent. However, the average annual growth rate of the total volume of U.S. imports was 20 percent.

In the 1970's, the products exported by the United States to ASEAN were chiefly industrial products. In the early 1970's, industrial products constituted 75 percent of U.S. exports to ASEAN and they rose to 80 percent by the late 1970's. Agricultural products constituted 13 percent of U.S. exports to ASEAN and they dropped to 9 percent by the late 1970's.

In the late 1970's, oil was the most important product the United States imported from ASEAN. It constituted 38 percent of U.S. imports from ASEAN and constituted 7 percent of the United States' total oil imports (compared with only 2 percent in the early 1970's). Industrial products, mainly machinery, means of transport, and textile products, also constituted 38 percent of U.S. imports from ASEAN and they accounted for 3 percent of total U.S. imports of industrial products (compared with 1 percent in the early 1970's).

The average annual growth rate of Japanese exports to ASEAN in the 1970's, calculated on the basis of current prices, was 20.3 percent and this accounted for a basically constant 9.4 percent of the total volume of Japanese exports. The average annual growth rate of Japanese imports from ASEAN was 27.1 percent and the average annual growth rate of the total volume of Japanese imports was 21.6 percent.

Almost all the products Japan exported to ASEAN were industrial products. In the early 1970's, 40 percent of these products were semi-finished industrial products and another 40 percent were machinery and means of transport. These products have constantly accounted for 8 percent of the total volume of Japanese exports. However, semi-finished products now account for less than 30 percent of the total volume of Japanese exports to ASEAN.

In the 1970's, there was no significant changes in the kinds of products Japan imported from ASEAN. Over 90 percent of these products were agricultural products and raw materials. Although there has been an increase in the import of oil and industrial products, it is the import of semi-finished products that has increased most significantly.

In comparison, U.S. trade with ASEAN has grown more rapidly than that of Japan with ASEAN. The trade between the United States and ASEAN constitutes a small percentage of the total volume of U.S. foreign trade. Similarly, the percentage of the total volume of Japanese foreign trade constituted by Japan's trade with ASEAN is also quite insignificant. However, ASEAN is not a major market for U.S. and Japanese commodities although it is becoming more and more important to the United States. The types of products exported, principally primary products, and imported, principally industrial products, have remained basically unchanged.

In 1980, U.S. trade with Indonesia accounted for 13.3 percent of Indonesia's foreign trade, while that of Japan with Indonesia accounted for 28.3 percent of it; U.S. trade with Malaysia accounted for 17.1 percent of Malaysia's foreign trade, while that of Japan with Malaysia accounted for 24.2 percent of it; U.S. trade with the Philippines accounted for 22.7 percent of the Philippines' foreign trade, while that of Japan with the Philippines accounted for 20 percent of it; U.S. trade with Singapore accounted for 12.9 percent of Singapore's foreign trade, while that of Japan with Singapore accounted for 17.9 percent of it; and U.S. trade with Thailand accounted for 11.7 percent of Thailand's foreign trade, while that of Japan with Thailand accounted for 23.8 percent of it.

According to the statistics, in 1979, U.S. trade with ASEAN accounted for 26.9 percent of ASEAN's foreign trade, while that of Japan with ASEAN accounted for 46.9 percent of it. Together, U.S. and Japanese trade with ASEAN constituted 73.8 percent of the latter's foreign trade. Almost half of ASEAN's foreign

trade was in the hands of Japan and over two-thirds of ASEAN's foreign trade was in the hands of the United States and Japan. Foreign trade is equal to 30 percent, 58 percent, 19 percent, 187 percent, and 23 percent of the GNP of Indonesia, Malaysia, the Philippines, Singapore, and Thailand, respectively.

Investment. In 1967, when ASEAN was founded, U.S. investment in this region was the largest among the investment by foreign countries. In the 1970's, the importance of U.S. investment gradually gave way to Japanese investment. In the 1980's, Japanese investment in ASEAN was more than \$7 billion, while U.S. investment in ASEAN was only \$5 billion. However, according to the U.S. Department of State, U.S. investment in ASEAN was about \$10 billion.<sup>1</sup> Another source shows that in 1983, Japanese investment in ASEAN exceeded \$10.6 billion.<sup>2</sup> It seems that the contention, in terms of investment in this area, between the United States and Japan is becoming increasingly intense.

From 1966 to 1977, U.S. investment in ASEAN grew at a 13.7 percent annual growth rate. Compared with the annual growth rate of its overseas investment, which was 9.9 percent, it was much quicker. Japanese investment in this area grew at an even quicker pace. In 1966, Japanese investment in this area was \$166 million. However, by 1976, the figure grew to \$4 billion. The average annual growth rate in that decade was as high as 37.5 percent. The average annual growth rate from 1977 to 1980 was 14.3 percent, which was also quite high. It is estimated that in 1979 and 1980, ASEAN annually received more than \$2 billion of official aid given by foreign countries (chiefly the United States and Japan), absorbed more than \$2.5 billion of foreign investment, and borrowed more than \$3 billion from the international capital market.<sup>3</sup>

Japan's direct investment in ASEAN accounts for 48 percent of the foreign investment in it and Japanese aid to ASEAN, which has accumulated to \$7 billion, accounts for one-third of its official aid to foreign countries, or, in other words, 50.5 percent of the aid ASEAN has received.<sup>4</sup> In 1982, Japanese investment accounted for over 24 percent of the foreign capital absorbed by ASEAN, being the largest; U.S. investment accounted for slightly less than 21 percent, being the second largest.<sup>5</sup>

Apart from the exploitation of Indonesia's oil resources, the United States has invested more money in its manufacturing industry. Japan also pays close attention to investing money in Indonesia's manufacturing industry. However, it devotes its major efforts to the production of those raw materials which can be easily transported back to Japan in order to meet the needs of its industries. Japan would rather invest money in old and labor-intensive industries than invest money in large enterprises that absorb much capital. ASEAN is most favorable for this kind of investment. The United States has a far less pressing need for natural resources than Japan. This is indicated by the fact that they invest money in different industries and by the different degrees of the intensity of their interest in investment.<sup>6</sup> It is said that U.S. investment in ASEAN is giving way to Japanese investment.

By means of export credits, loans on favorable terms, and deferment of payment, Japan has devised in ASEAN an effective aid development scheme. It is hard for the United States to achieve this. American scholars suggest that U.S. and Japanese competitive power will be subject to the "most unbiased test" in ASEAN. Their economic status in ASEAN will have an actual effect on the economic

relations between the two countries. If the United States succeeds in ASEAN, it will be able to meet the challenge posed by Japan in the Asian-Pacific and other areas.<sup>7</sup>

ASEAN is important to Japan because first, this group of countries are Japan's most important trade partners in this area, the total volume of their bilateral trade being \$34.3 billion in 1982, and Japan has invested much capital in ASEAN; second, 70 percent of the major energy resource backing Japan's economic development, that is, oil, is transported from the Middle East to Japan via the Straits of Malacca; third, Japan relies very much on the raw materials imported from ASEAN, for example, 99 percent of its rubber and tin, 95 percent of its hardwood, and a very large part of its vegetable oil, nickel, copper, bauxite, and other raw materials are imported from ASEAN; and fourth, ASEAN is an indispensable link to the Pacific economic community planned by Japan.

ASEAN is the fifth most important partner of the United States. In 1983, the volume of their bilateral trade was \$23.2 billion, accounting for 18 percent of U.S. trade with the Asian-Pacific region and being equivalent to 49 percent of the volume of U.S.-Japanese trade.<sup>8</sup> In addition to being important countries absorbing U.S. investment and supplying indispensable raw materials to the United States, ASEAN has great strategic value. The United States imports 89 percent of its rubber, 65 percent of its tin, 99 percent of its palm oil, 95 percent of its coconuts, 28 percent of its hardwood, and other rare minerals from ASEAN. U.S. interest in the Pacific economic community is as great as that of Japan. In short, ASEAN is less important to the United States than it is to Japan. However, the United States will not slacken its efforts in its contention with Japan in this area.

The major contradiction between ASEAN on one hand and the United States and Japan on the other is that the latter imposes discriminatory restrictions, for example, by forcing prices down or by raising customs duties, on the import of primary products from ASEAN. In addition, they invest money and transfer technologies to ASEAN on harsh terms. Thailand and the Philippines are suffering from intolerably great trade deficits. All this frequently results in disputes and struggles between the two sides.

#### ASEAN Economic Development and Problems Under the Circumstances of U.S.-Japanese Contention

By relying on its economic conditions and by utilizing foreign capital, ASEAN has made great progress in its development.

One-third of the foreign capital introduced by ASEAN is direct investment by foreign countries, one-third is official aid, and the remaining one-third is short-term capital and securities. In other words, it raises funds by opening the domestic capital market to the world and by borrowing loans. By investing money in ASEAN, extending loans to it, and expanding their trade with it, the United States, Japan, and other countries have given impetus to the economic development of ASEAN.

First, ASEAN has enhanced its ability to accumulate capital and to make investment account for a higher percentage of its GNP. From 1960 to 1972, the increases in ASEAN's accumulation of capital were as follows: Indonesia, from 7.9 percent to 16.8 percent; Malaysia, from 13.9 percent to 20.5 percent; the Philippines, from 11.5 percent to 18.5 percent; Singapore, from 13.7 percent to 34.4 percent; and Thailand, from 14.8 percent to 22.5 percent. In 1960, on average, investment in these five countries account for 13 percent of their GNP. By 1980, the figure had risen to 30.2 percent.<sup>9</sup> In two decades, investment in these countries had grown by more than 100 percent and the problems of the lack of capital and of backward production techniques had been rather satisfactorily solved.

Second, the investment, loans, and expansion of trade have given a push to the development of some departments of production, for example, Indonesia's oil industry and Singapore's international financial market, its oil refining industry and its building of drilling platforms.

Third, all this has given impetus to the development of foreign trade. For example, compared with 1969, Indonesia's imports and exports in 1979 had grown by 830 percent and 1,760 percent, respectively, and from 1972 to 1978, the annual average growth rate of the volume of the Philippines' foreign trade was as high as 26 percent.

Fourth, all this has given rise to changes in the economic structures of these countries and the production of primary products is gradually being replaced by manufacturing industry. For example, the output value of manufacturing industry accounted for 9 percent and 12 percent, respectively, of the GNP of Malaysia and Singapore in 1960. The figures rose to 23 percent and 28 percent in 1980.

Fifth, job opportunities have increased, skilled workers have improved their crafts, and management has improved.

These factors, combined with the rich natural resources of these countries (with the exception of Singapore), their abundant manpower, their relatively cheap labor, the great potential of their markets, their advantageous positions, their political stability, and the consistency of their economic policies, which interact on one another, have made the economic development of ASEAN more rapid. ASEAN has come to be known as the economic group with the greatest vitality in this area.

However, one should also see that foreign investment can only give transient and limited impetus to ASEAN's economic development and that the former has long-term and far-reaching adverse effects on the latter.

1. Certain sectors of its economy cannot easily free themselves from the control of foreign investors. For example, most of the investment in Indonesia's oil industry is foreign investment, which came to \$5.9 billion by 1981. Of this, more than 4 billion was U.S. investment. Of the 16 foreign oil companies, 11 were American companies and 80 percent of the oil output was controlled by the United States. In Singapore, foreign capital has always accounted for a higher percentage of investment than local capital. Thus, the role of local capital in the development of Singapore's national economy is gravely restricted. Before 1979, foreign capital always accounted for 90 percent of the total amount of

fixed capital. However, in the early 1980's, the importance of foreign capital gradually declined. Investment by foreign companies registered in Malaysia accounts for 46 percent of the total amount of investment by limited companies in Malaysia. The area of the plantations owned by foreign investors constitutes 20 percent of the arable land of the country and is much larger than the total area of the land devoted to the growing of paddy. In 1977, foreign investors directly controlled 30 percent of Malaysia's rubber output, 70 percent of its palm oil output, 50 to 60 percent of its logs, 35 percent of its tin, 100 percent of its tin smelting, 100 percent of its oil refining, 60 percent of its industrial output value, 60 percent of its export trade, more than 90 percent of its shipping, 44 percent of the capital of its banks, and more than 50 percent of its insurance business.

2. Because of its increasing dependence on the capitalist markets of the United States, Japan and other countries, it will be easily affected by fluctuations in these markets. The most prominent example was the decline in the economic growth rate of ASEAN resulting from the economic crisis in the West in recent years. In 1983, as the rates of the economic growth of various countries began to go up again, the rate of the economic growth in the Philippines dropped to 1.4 percent. This crisis made ASEAN's conditions for trade less and less favorable. Exports declined, its trade deficit became larger, there was a balance of payments deficit, foreign debts abruptly increased, and unemployment rate went up.

3. As a result of the combination of foreign capital with local bureaucrat-capital, the small and medium-size national bourgeois enterprises are pushed aside. The effects of this are particularly evident in Indonesia and Malaysia.

4. Various sectors of their national economies are prevented from having a balanced development. For example, in Malaysia, 70 percent of its arable land is devoted to the growing of rubber trees and oil palm and only 20 percent of the arable land is devoted to the growing of grain. Consequently, Malaysia is not self-sufficient in grain and animal products. In addition, the development of its mining is also quite unitary.

5. As a result of the serious exploitation by foreign investors, huge profits are drained away from the countries. The average profit rate of foreign enterprises is about 20 percent of investment and it can exceed 100 percent if their products are very marketable. In the oil industry, the manufacture of electrical appliances, electronics industry, and the growing of crops, foreign investors frequently swallow up as much as 80 percent of the surplus value created by the workers. According to the World Bank's estimation, from 1970 to 1977, for every \$1 of direct investment in Indonesia's oil industry, an investor could get a profit of \$2.70 in return. From 1973 to 1976, the average annual profits of the foreign oil companies operating in Indonesia were \$73.4 percent. According to Japanese official statistics, from 1970 to 1978, the average profit rate for Japanese overseas direct investment was 30 percent. Thus, from 1970 to 1978, Japan's direct investment in ASEAN yielded a total profit of at least \$1.5 billion.

6. The natural resources are impaired and ecological balance disrupted. Having yielded oil for several decades, Indonesia's oilfields are drying up. If no new fields can be found and exploited, the present reserve can only last 15 more years

Having been exploited in a plunderous manner by foreign investors for a long time, Malaysia's rich tin and iron reserves and its oil and timber resources are now on the verge of exhaustion.

ASEAN is heavily in debt. Of the 12 countries of the world that are most heavily in debt, 3, namely, Indonesia, the Philippines and Thailand, are ASEAN members. According to the statistics compiled by the International Monetary Fund, the total amount of Indonesia's foreign debts increased from \$9.2 billion in 1974 to \$19.5 billion in 1979.<sup>10</sup> In 1983, the total amount of Indonesia's foreign debt was \$23.4 billion.<sup>10</sup> In the year 1983-84, Indonesia will have to use 24 percent of its revenue from foreign trade to repay capital with interest. Thus, it has reached the "crisis point."

According to the report submitted by the Malaysian Central Bank in July 1982, the total amount of Malaysia's foreign debt was \$13.482 billion. The repayment of capital and payment of interest due by 1982 accounted for 18 percent of that year's financial expenditure budget.<sup>11</sup>

The Philippines is one of the world's 10 heaviest debtor nations. According to the report by the director of the Philippines Central Bank on the economic and financial situation in 1983, the total amount of the Philippines' foreign debt was \$25.6 billion, 5.2 percent more than the \$24.3 billion in 1982. In 1984, it has to pay \$16 billion of capital and interest. The amount is equal to its GNP for one year. Its biggest creditor is the United States, to which it owed 23 percent of its foreign debt in 1979. Its second biggest creditor is Japan, to which it owed 20 percent of its foreign debt.

Singapore bears the lightest load of foreign debt. According to the 1980 "Outline of Singapore's Economy," its foreign debt totaled \$942 million. According to Japan's "Economists," published on 10 August 1982, Singapore's foreign debts totaled \$1.369 billion in 1980.

In 1983, Thailand's foreign debt totaled \$11.16 billion. Thailand's national bank stated that the foreign debt of the Thai Government departments totaled \$7.13 billion. Its chief creditor is Japan, to which it owes 15 percent of its foreign debt. Its second biggest creditor is the United States, to which it owes \$7.2 percent of its foreign debt.

It seems, with the exception of Singapore, the members of ASEAN now find themselves in a very difficult situation. The days when they could benefit from foreign investment and loans are now over.

One of the major problems confronting ASEAN, and which will continue to confront it for some time in the future, is how to maintain and develop on the basis of the principle of equality and mutual benefit its relations with the two economic superpowers, namely, the United States and Japan, and to more effectively protect its own economic rights and interests. ASEAN is now studying the questions of how to foster national industry, of how to diversify its external economic relations, and of how to strengthen the cooperation among its members.

In 1981, the trade among ASEAN members accounted for only 15 percent of the total volume of its foreign trade, which is even more insignificant than their exports to Japan. Compared with that between 1966 and 1968, which accounted for 19.1 percent of the total volume of ASEAN's foreign trade in that period, and with that

between 1976 and 1979, which accounted for 16.8 percent of the total volume of ASEAN's foreign trade, the trade among the ASEAN members has shrunk. This trend cannot but make ASEAN worry about its future, "because this is a criterion for assessing the success or failure of ASEAN."<sup>12</sup> The trade among EEC members has some very significant reference value. Since the founding of the EEC in 1958, the trade among its members has grown by 22 times. Most of its members conduct about half of their trade within this community. In 1980, despite its rather recent membership, Britain's exports to EEC members accounted for 43 percent of the total volume of its exports. Such a state of things has added to the cohesion among its members as well as to their common interests. In addition, it has elevated its economic status in the world and its competitive power has grown.

ASEAN vigorously advocates the establishment of a new international economic order and the south-north dialogue. In fact, it symbolizes south-south cooperation and is capable of playing a more important role in it. With collective self-reliance playing a leading role and the utilization of foreign capital playing a supplementary role, the above is a realistic and practical means by which it frees itself from foreign control.

#### The Effects of the Economic Contention Between the United States and Japan on ASEAN

In ASEAN, the United States and Japan "complement each other and compete with each other."<sup>13</sup> They do not consciously or objectively complement each other. However, they consciously and subjectively compete with each other. The competition between the United States and Japan in ASEAN is an extension of the competition between them elsewhere as well as an important link in the overall competition between them.

Counter to the desires of the Japanese ruling class, the outcome of World War II was Japan's military failure and the collapse of its economy. What surprised the Americans 20 years later was that Japan had become an aggressive rival in the economic field. Both American businessmen and economists felt uneasy about it.

Let us take GNP as an example. In 1950, U.S. GNP was 25 times that of Japan. Ten years later, in 1960, U.S. GNP was still 10 times that of Japan. In 1970, U.S. GNP was 4 times that of Japan. In 1980, U.S. GNP was only 160 percent that of Japan. In 1980, Japanese per capita income was 86 percent that of Americans. Thus, it is not strange that both American and Japanese scholars suggest that if this trend continues, Japanese per capita income will exceed that of Americans before 1990.<sup>14</sup> Some even suggest that by the turn of the century, the United States' status as the world's greatest economic superpower will give way to a new Pacific league headed by Japan.<sup>15</sup>

To the United States, Japan's rapid economic development has always been a "riddle." In order to solve this riddle," the United States has spent as much as \$100 million on intellectual investment. Several dozen American scholars have acquired doctoral degrees in Japanese economics and hundreds of monographs, drawing all kinds of conclusions, have been published. So far people have been unable to decide which answer to the "riddle" is right. More than one

American scholar has dug into the myth from the angle of the humanities. One of their important discoveries is that Japan's economic success perhaps lies in the "cultural upbringing" of the Japanese. This amounts to saying that in order for the United States to be economically incincible, it has to transform its culture. This conclusion is of course disheartening.

The economic relations reflected in the growth and decline of the relative economic strength of the United States and Japan are far more complicated, profound, and vivid than the above statistics can tell. Let us take the bilateral trade between the two countries as an example. Before Japan's economic "take-off" in the 1960's, the United States had always enjoyed a favorable balance of trade. However, after 1965, the trend was reversed and Japan began to enjoy an unremitting succession of favorable balances of trade thereafter. In 1983, Japan's favorable balance of trade amounted to \$21.3370 billion.

The situation was in keeping with the changes in the product mix of Japanese commodities. Finished-products account for over 90 percent of Japan's export, a much greater percentage than the 60 to 70 percent of the exports of OECD members. The changes reflected the transition of Japan's commodity production from the production of labor-intensive products to the production of technology-intensive, high-grade, precision, advanced, small, and light products. Now Japan dominates 23 percent of the car market, 90 percent of the motorbike market, 48 percent of the market for television sets, 50 percent of the market for radios, and 90 percent of the market for video-tape recorder; in the United States. Primary products, such as soya beans, wheat, cotton, logs, raw hides, and other agricultural and animal products, are the United States' most important export products to Japan. In 1980, the total value of the United States' export products was \$43 billion. Of these products, 15 percent were exported to Japan. Thus, U.S. enterprises are urging the U.S. Government to protect U.S. trade against Japan. However, U.S. consumers do not want U.S. industry to be protected at the expense of their individual interests. An American economist estimates that as a result of the trade barriers, U.S. consumers have to pay \$70 billion more each year.<sup>16</sup> Sharply contrasted to this is the fact that Japanese generally do not buy foreign goods. Japan mainly imports raw materials and semi-finished products, which account for two-thirds of the total volume of its imports. The situation is just the opposite in the United States. Incidentally, in 1980, the total volume of Japan's imports was equal to that of Switzerland. However, Switzerland's GNP was only 10 percent of that of Japan. Japan also imports those products it does not produce. For example, in 1980, the value of such products imported by Japan was \$27 billion, yielding a per capita figure of \$233. However, the per capita figure for the United States was at least 3 times as great. In 1979, Japan exported 3.4 million color television sets but only imported 28,000, exported 6.2 million picture tubes but only imported 5,000, and exported 6.2 million cars, but only imported 33,600.<sup>17</sup>

All this has naturally led to friction and conflicts, which can be quite intense sometimes. The United States asks Japan to open its agricultural products market, automatically limit its car exports to the United States, raise the specific value of the Japanese yen, and internationalize it, while Japan asks the United States to liberalize its domestic market. Their demands reflect the offensive position occupied by Japan and the defensive position occupied by the United States on the economic front.

It is interesting to take a look at how the United States and Japan infiltrate each other economically.

In 1970, the value of direct investment in the United States was \$13 billion. However, in 1981, the figure rose to \$89 billion and the United States replaced Canada as the country absorbing the greatest amount of foreign capital. The value of U.S. overseas investment was \$227 billion, which was much greater than the value of foreign investment in the United States and greater than the value of the overseas investment by any other country. What attracts people's attention is that in recent years, foreign investment in United States has increased more rapidly than U.S. overseas investment. For example, in 1980, foreign investment in the United States increased by 25.5 percent, while U.S. overseas investment grew by only 14.8 percent; and in 1981, foreign investment in the United States increased by 31.1 percent, while U.S. overseas investment grew by only 5.5 percent. It is said that this tendency will continue to prevail in the foreseeable future.<sup>18</sup>

In 1975, U.S. investment in Japan totaled \$3.339 billion. By 1981, U.S. investment in Japan had increased to \$6.755 billion, 100 percent more than that in 1975, which constituted 50 percent of the total amount of foreign investment in Japan. In 1981, Japanese investment in the United States totaled \$11.2 billion, 60 percent more than U.S. investment in Japan. However, it only constituted 8 percent of the total value of foreign investment in the United States. In 1982, Japan invested \$2.74 billion in the United States. Thus, the total value of Japanese investment in the United States became \$13.94 billion. From 1975 to 1982, Japanese investment in the United States increased by 309 percent. From 1951 to 1982, Japanese investment in ASEAN accounted for 21.7 percent of the total value of Japanese overseas investment, while Japanese investment in the United States accounted for 24.7 percent of it. In 1983, 27 percent of Japanese overseas investment was investment in the United States, which was the largest amount of Japanese investment in a single country.

The growth rate of U.S. overseas investment is lower than the growth rate of foreign investment in the United States, the value of the overseas securities held by the United States is lower than that of U.S. securities held by foreign countries (in 1982, the ratio of the former to the latter was \$75 billion to \$93 billion), and the value of the assets (funds, special drawing rights, and foreign currencies) and other property (bank loans for import and export, commodity credit, corporation loans, and military and technological aid) officially owned by the United States is smaller than the value of those owned by foreign countries in the United States. If the United States tries to use more and more foreign capital to offset its budget deficits, then, by 1987, U.S. foreign debt will for the first time exceed the value of its overseas property and by 1989, its foreign debt will increase to \$275 billion. In the 1983 fiscal year, the total amount of interest paid by the United States was \$18 billion and the amount of interest to \$30 billion by the late 1980's. In the next few years, the United States will be turned from an investor and creditor into a debtor nation.<sup>19</sup> Some are even more pessimistic and they suggest that by 1985, the total value of foreign investment in the United States will be \$82 billion greater than the total value of U.S. overseas investment. In this way, the United States will become nothing but a debtor nation.<sup>20</sup> What is left of the wealth of the United States would then be its overseas multinational

corporations. A Japanese research institute suggests that by 1993, Japan will become the world's biggest creditor, owning more overseas property than any other country.<sup>21</sup> Thus, it can be seen that whether in the growth of relative economic strength, in its trade with Japan, or in the area of investment and foreign debt, the United States is apparently losing the game to Japan. American scholars suggest that in spite of the many economic contradictions and the heated competition between the two countries, however, because of their "similar long-term goals and values," the United States and Japan can do themselves good by proceeding along the lines of balanced development.<sup>22</sup> Others suggest that the development of the economics of the United States and Japan should be in the direction of narrowing the gap and that Japan cannot overtake the United States. However, no one can deny that the momentum with which Japan is trying to overtake the United States shows no sign of weakening. The Japanese are full of confidence. However, the Americans are quite pessimistic.

As said above, the competition between the United States and Japan is an extension of the competition between them elsewhere. The competition between them which involves them only is in direct proportion to the competition between them which involves many other countries, that means, the more severe the competition between them, the more intense their contention in ASEAN will be. Japan is strengthening its "comprehensive cooperation" with ASEAN. It is consolidating its position by making ASEAN rely more and more on it. The westward shift of the focus of the U.S. economy and the efforts made by Japan to establish a Pacific economic community will add fuel to the contention between the two countries for ASEAN.<sup>23</sup>

The contention between the United States and Japan for ASEAN is an advantage as well as a disadvantage to the latter. It is an advantage in that: 1) It helps ASEAN members to obtain funds and technology; 2) ASEAN members can expand foreign trade by taking advantage of the two countries' international markets; 3) with economic relations as motive force, it can give impetus to the development of the trilateral political and diplomatic relations. It is a disadvantage in that ASEAN cannot expand the U.S. and Japanese markets by changing the mix of its export commodities and there is the danger of its relying more and more, not less, on the United States and Japan if its policies are faulty. It would be unrealistic for ASEAN to try to use the United States to check Japan, or vice versa. More importantly, ASEAN should strengthen the cooperation among its members and then proceed to strengthen the more extensive south-south cooperation in order to augment its strength.

In the contention between the United States and Japan for ASEAN, Japan's greater competitive power and its geographical and cultural proximity to ASEAN give it an advantage over the United States. In terms of economic policies, the United States also pays less attention to ASEAN than Japan does and it frequently makes mistakes. However, the United States has more natural resources, a bigger domestic market, a more solid economic basis, and greater economic strength than Japan. Japan has been dubbed "a frail flower." It is really difficult to tell which of them will win. Generally speaking, the contention between the United States and Japan and the development of the trilateral relations will be beneficial to the three sides. However, they will be more beneficial to the two economic superpowers than to ASEAN.

## Trilateral Security and Strategic Relations

There are not only trilateral economic relations between the United States, Japan, and ASEAN. Of equal importance are their security and strategic relations. Their economic relations and security and strategic relations are ends to one another, give impetus to one another, and condition one another.

In security and strategic relations, the common demand the three sides impose on one another is: To bear direct or indirect responsibilities for international security and to safeguard the security and stability of the region. The security and stability of that region are an international condition for developing their trilateral economic relations and their trilateral economic relations call for the strengthening of the security and strategic relations among them. Although they have the same objectives in security and strategy, their stands and policies on specific problems obviously differ because their strengths differ, the international situations in which they find themselves differ, and the security problems confronting them differ in degrees of urgency.

The political and strategic relations between the United States and Japan, according to the United States, have gone beyond three stages. In the 1960's the relations between them were "subordinate relations." From 1966 to 1977, the relations between them gradually became those "between a big brother and his younger brother." From 1977 on, the relations had become "partnership."<sup>24</sup> In 1983, when Reagan visited Japan, he stated that Japan was the United States' "equal partner." This amounts to admitting that their past "partnership" was unequal. Needless to say, the changes in their relations correspond with Japan's economic development.

The ways the United States and Japan deal with Southeast Asia have undergone a complicated historical process. The central issue is what should be their attitude to its neutrality. In July 1941, President Roosevelt unambiguously told (or warned, one may say) the Japanese ambassador to Washington: A neutral Southeast Asia will be in the legitimate interest of all great powers and Japanese control of this area is unacceptable to the United States. The neutrality referred to by Roosevelt at that time actually meant no more than the open-door policy and the principle of equally sharing the benefits advocated by the United States. It is entirely different from the neutrality in today's international relations. In spite of this, Japan turned a deaf ear to Roosevelt's warning and started the Pacific War shortly after. After the war, the United States pursued Dulles' policy of the immortality of neutrality and knocked together the Southeast Asia Treaty Organization. This only led to utter failure and the dissolution of the Southeast Asia Treaty Organization. In 1967, five countries in this region formed ASEAN with freedom, peace, and neutrality as its aims. This new organization, whose formation was a natural consequence of the historical trend, was reluctantly recognized by the United States and Japan only after much hesitation. Now, it is precisely Vietnam and its backstage boss, the Soviet Union, who are antagonistic to this organization.

At present as well as for some time in the future, a major problem concerning the security and stability of this region would be the policy of a southward drive adopted by the Soviet Union and Vietnam, which the former backs. The

Soviet Union has built strong naval and air force bases between Vladivostok and Kamchatka, augmented its military strength on Japan's four Northern Islands, turned Cam Ranh Bay into a base for its Pacific Fleet, and deployed a large number of SS-20 medium-range guided missiles in the Far East. The economic development of the Soviet Union gradually expanding eastward and the construction of the second trans-Siberian Railroad, the Amur-Baikal Railroad, has been basically completed. The growth of the Soviet Union's military strength and its strategic intentions have become a major threat to the security and stability in the Asian-Pacific area. It is the basically common desire of the United States, Japan, and ASEAN to thwart this threat. The security strategy adopted by the United States and Japan to meet the challenge posed by the Soviet Union and Vietnam has two main features: First, the establishment of a network which tightly binds together those countries in this area which have the same systems and keeps them inseparable from one another. This is what Japan vigorously advocates. However, the United States has its own calculations and the meeting of ASEAN foreign ministers this summer still showed some reservations about it; and second, vigorous arms expansion and the strengthening of alliance. As a non-military organization, ASEAN gives conditional support to this.

On one hand, the United States is augmenting its naval strength in West Pacific and increasing the number of nuclear submarines, B-1 bombers, and other strategic arms in order to counterbalance the Soviet Union's SS-20 guided missiles. In addition, it is also strengthening its diversified ally strategic system with the Japan-U.S. Security Treaty as its center in the North and the Treaty of Manila (the treaty providing the establishment of the Southeast Asian Treaty Organization, whose members included the United States, the Philippines, Thailand, and others, which has remained in force after the dissolution of the organization) as its basis in Southeast Asia. The system is flanked by the defense treaty between the United States, Australia, and New Zealand in Oceania and supplemented by the joint defense of Britain, Australia, New Zealand, Singapore and Malaysia. A strategic network is thus built to contain the southward drive of the Soviet Union and Vietnam and to protect the navigation routes in the Indian and Atlantic Ocean.

Out of its own needs and under U.S. pressure, Japan is going to play a role in military affairs that matches its economic status. In 1984, Japan's defense budget accounts for 0.91 percent of its GNP, being one-ninth of the United States (each person in Japan bears \$89 of its defense expenditure, compared with \$782 in the United States). However, its defense expenditure, being the fourth largest of Western countries, exceeds the sum total of the military expenses of the five ASEAN members. The Japanese fleet, only smaller than those of the United States, Britain, and France, is the fourth largest in tonnage and it has the fifth largest air force. Japan has undertaken to protect 1,000 nautical miles of navigation route and promised to turn Japan into an unsinkable aircraft carrier which will blockade the Sea of Japan when necessary and to transfer military technology to the United States. In addition, Prime Minister Nakasone has also promised to turn Japan into a great political power.

ASEAN members are also strengthening their defenses and the military cooperation among themselves. As a regional organization, ASEAN does not join this or that military alliance. However, with the exception of Indonesia, all its members have connections with various military alliances. ASEAN is pleased to see that

the United States discards the principle of shrinking advocated by the "Nixon Doctrine" and that the United States is returning to this region. However, it has misgivings about Japan's strengthening its defense power although it has shown its understanding. Both the United States and ASEAN do not want Japan to become a great military power. Both the United States and Japan attach great importance to the strategic position, economic value, and political role of ASEAN and they completely agree that this region needs stability, security, and prosperity. Without the cooperation of ASEAN, Japan will find itself in a difficult situation and the United States' Far East strategy will become defective. Similarly, being economically inseparable from the United States and Japan, in international security, it needs U.S. and Japanese support to maintain the balance of power in this region. Japan regards ASEAN as "a community sharing a common fate" and the importance of ASEAN to Japan is second only to that of the United States in its foreign relations. The United States regards ASEAN as the "nucleus of its policy toward this region." However, Japan has priority over ASEAN in U.S. diplomacy. The United States, Japan, Canada, Australia, New Zealand, and the EEC also take part in the dialogue at the Conference of ASEAN Foreign Ministers. However, only the United States, Japan, and ASEAN form its nucleus. In formulating their policies in the West Pacific, both the United States and Japan have to take ASEAN into consideration. With the upgrading of the status of ASEAN and the deepening of the trilateral relations, it is very likely that ASEAN's foreign policies toward the United States and Japan will have greater and more extensive influence. The strategic disposition resulting from the trilateral relations between the United States, Japan, and ASEAN will probably coexist with the Soviet military threat in this region until great changes take place in the international relations of this region.

#### FOOTNOTES

1. Testimony by Department of State officials at hearing held by the East Asian and Pacific Affairs Subcommittee, U.S. Congress, on 10 June 1982, according to which U.S. investment included the investment in the prospecting for and the exploitation of oil and natural gas in Indonesia.
2. According to a report, dated 26 July 1984, by a XINHUA NEWS AGENCY reporter stationed in Bangkok, in 1983, Japanese investment in ASEAN was: \$7.2 billion in Indonesia, \$800 million in Malaysia, \$700 million in the Philippines, \$1.4 billion in Singapore, and \$521 million in Thailand, making a total of \$10.621 billion.
3. (Brian Van): "Economics of ASEAN," 1982.
4. Hideo Matsusaka: "Future of Japanese-ASEAN Relations," in Summer Issue of "The Asian-Pacific Community," 1983.
5. "Present State and Problems of Economic Cooperation," the Japanese Ministry of International Trade and Industry, 1983, p 19.
6. (Lawrence Clauss): "U.S. Economic Policy Toward ASEAN," 1983.
7. Ibid.

8. U.S. NEWS AND WORLD REPORT, 20 August 1984.
9. In 1960, investment in Indonesia, Malaysia, the Philippines, Singapore, and Thailand accounted for 8 percent, 14 percent, 16 percent, 11 percent, and 16 percent, respectively, of their GNP. In 1980, the figures were: Indonesia, 22 percent; Malaysia, 29 percent; the Philippines, 43 percent; Singapore, 30 percent; and Thailand, 27 percent.
10. The figure was revealed by the Indonesian Finance Minister to the Indonesian People's Representation Council. However, according to TIME, 14 November 1983, the total amount of Indonesia's foreign debts was \$24 billion.
11. According to the same issue of TIME, Malaysia still owes \$10 billion of foreign debts.
12. (Lawrence Clauss): "U.S. Economic Policy Toward ASEAN," 1983.
13. Ibid.
14. (Charles Morrison), Sueo [name indistinct], and Baoer Wennakete [0202 1422 3306 2169 4430 3676]: "U.S.-Japanese Economic Relations," 1983.
15. "Report by OECD," 1979.
16. ASIAWEEK, 12 August 1983.
17. "International Affairs," Soviet Union.
18. (Aier Fulai [5337 1422 1715 5490]): "The Economics of International Investment," 1981 Edition.
19. CHRISTIAN SCIENCE MONITOR, 10 February 1984.
20. BUSINESS WEEK, United States, 27 February 1984.
21. "Long-term Prospects for Japan's Economy," a report prepared by the Nomura Cross-discipline Research Institute, August 1984.
22. Richard Cooper and Philip Jones: "Future of U.S.-Japanese Cooperation," paper read at 6th Annual Joint Meeting of American and Japanese Scholars, held in Shimoda, Japan 1983.
23. In his "Plan on U.S. Cooperation With the Pacific Basin," (Clauss) says in regard to the establishment of a Pacific community, the best strategy to be adopted by the United States at present is, in close cooperation with ASEAN, to give it a push. The article appears in "Construction of the Pacific Regional Community," 1981.
24. Seiji Nishihara and (Richard Betsey): "U.S.-Japan Security Relations," paper read at 6th Annual Joint Meeting of American and Japanese Scholars, held in Shimoda, Japan, 1983.

**SOVIET UNION**

**COMMENTATOR WELCOMES ARKHIPOV'S PRC VISIT**

OW240543 Beijing in Russian to the USSR 1800 GMT 21 Dec 84

[Feature by Beijing Radio commentator (Hung Bo): "Welcoming Arkhipov's Visit to China"]

[Text] At the invitation of the Chinese government, Ivan Vasilyevich Arkhipov, first deputy chairman of the USSR Council of Ministers, begins an official visit to China on 21 December. He is the highest official of the Soviet Government to make an official visit to our country in more than 20 years.

In the 1950's, Ivan Arkhipov was the chief adviser to Soviet specialists working in China. He took part in the development and implementation of the first PRC 5-year plan on development of the national economy. Naturally, during this visit he will discuss with Chinese Government leaders and staff members of bodies issues primarily associated with development of Sino-Soviet Cooperation in the economic, trade, and scientific and technical spheres, and will have the opportunity to personally familiarize himself with China's economic construction. We are certain that wherever he goes in our country, he will receive a warm reception from the Chinese people.

The Chinese and Soviet peoples tied bonds of profound friendship during long revolutionary struggle and construction. Relations between the peoples of the two countries were formerly close, but later--because of well-known reasons--these contacts were broken off. Despite this, the Chinese people invariably nourish feelings of friendship toward the Soviet people and value the friendship established between the peoples of the two countries. The Chinese Government has made tireless efforts to improve and normalize relations between the two countries.

China wishes to maintain and develop relations with all countries, including the Soviet Union, on the basis of the five principles of peaceful coexistence. Zhao Ziyang noted in his report on the work of the government at the second session of the Sixth NPC in May this year: China sincerely desires the normalization of Sino-Soviet relations and is ready to develop exchanges with the Soviet Union in the sphere of economy, technology, and culture. Peace and harmony between such great powers as China and the Soviet Union not only meets the fundamental interests and common hopes of the peoples of both

countries, but also serves the cause of peace in Asia and the entire world. The Soviet side has also expressed the same hope.

In October 1982, at the initiative of the Chinese Government, Sino-Soviet consultations began in Beijing between the special representatives of the governments of the two countries to discuss the question of normalization of relations. Up to the present time, five rounds of consultations have already been held, and they will continue.

Thanks to joint efforts by both sides, contacts and ties between the two countries in many spheres have been restored and developed in the last 2 years. Recently, Chen Jie, a representative of the PRC minister of foreign economic relations and trade, visited Moscow at the head of a Chinese government trade delegation. The two countries signed a trade and payments agreement for 1985. The sides agreed that trade turnover between the two countries would increase to 3.6 billion Swiss francs next year, which is an increase of more than 39.7 percent on this year. These trade talks were held in an atmosphere of mutual understanding. Both sides achieved satisfactory results.

In accordance with protocols signed by both sides for the 1984-85 academic year, China and the Soviet Union have exchanged 70 students. Contacts between the two countries in the spheres of science, technology, sports, health, and culture are becoming more frequent. Contacts between the Chinese-Soviet Friendship Association and the Soviet-Chinese Friendship Society have been restored. Exchanges of visits by delegations of the two friendship associations and by special political groups of the two countries have been realized. All this indicates that Sino-Soviet consultations have assisted bilateral contacts and the development of ties between the two countries.

Ivan Arkhipov, first deputy chairman of the USSR Council of Ministers, is an old friend of China's. During his visit, he will get a friendly reception from the Chinese side. We hope that his visit will advance to a new stage the development of relations between China and the Soviet Union in the spheres of economy, trade, and science and technology.

CSO: 1800/101

NORTHEAST ASIA

BRIEFS

JAPAN-CHINA EXCHANGE ASSOCIATION DIRECTOR—Tokyo, 26 Dec (XINHUA)—Torao Miyakawa, director general of the Japan-China Cultural Exchange Association, died of cerebral embolism at 22:45 yesterday in a hospital attached to Tokyo Women's Medical College. He was 76 years old. Mr Miyakawa was an old friend of China, who had worked for Japan-China friendship for many years. He took an active part in the work of the Japan-China Cultural Exchange Association since its establishment in March 1956. He was elected deputy director-general of the association in 1973. Since 1979 he had been its director general. He had visited China 28 times from 1962 to 1983 and made great contributions to the Japan-China cultural exchanges. Miyakawa's funeral will be held in the afternoon of next 21 January at the funeral parlour of Aoyama which is located in the harbor area of Tokyo. President of the association, Kenzo Nakajima is the chairman of Miyakawa's funeral committee. [Text] [Beijing XINHUA in English 0854 GMT 26 Dec 84]

CSO: 4000/75

SOUTHEAST ASIA/PACIFIC

KANG KEQING ON PRC SUPPORT FOR UNICEF PROGRAM

OW290718 Beijing XINHUA in English 0648 GMT 29 Dec 84

[Text] Beijing, 29 Dec (XINHUA)--China today expressed strong support for the initiative of the United Nations Children's Fund (UNICEF) for a child health revolution and its efforts to reduce infant mortality rate.

The support was contained in a statement to XINHUA from Kang Keqing, chairperson of the Chinese People's National Committee for the Defense of Children and president of the All-China Women's Federation.

Kang, who is also vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, paid high tribute to UNICEF and its executive director Dr James P. Grant for the useful work they had done for the welfare of children throughout the world.

She said cooperation between China and UNICEF had been very well. Cooperative projects were making good progress and producing initial results, which had helped promote the child welfare work in China.

"We would like to further develop this cooperation and are confident that, through our joint efforts, the cooperative program between China and UNICEF will make still greater contributions to China's child welfare work."

Following is the full text of her talk:

In the "State of the World's Children 1985," UNICEF appeals to the world to bring about a child health revolution for protecting the lives and normal development of many millions of children in the developing countries. Bringing in evidence from all parts of the developing world, the report demonstrates the four inexpensive and convenient measures of growth monitoring, oral rehydration therapy, breast-feeding and immunization which have saved the lives of millions of children. We should like to express our warm support and appreciation to UNICEF and Dr Grant for their meaningful work for the welfare of the world's children.

It is of strategic significance that UNICEF initiated the idea of launching a child health revolution and introduced the four essential measures aimed at reducing infant mortality rate. We are also happy to note that in defining many of its principles and policies, UNICEF takes into consideration the concrete

situations and children's needs in the developing countries, and therefore enjoys universal support. Further popularization and implementation of these policies and measures will undoubtedly be conducive to the continued extensive development of the child health revolution, as well as to the attainment of the strategic target of "health for all by the year 2000." Needless to say, in the long run, to ensure children's survival and development in the developing countries, it is of primary importance to change their underdeveloped state of existence.

China is a developing socialist country. Our guiding principle in health work is to protect the health of the entire people and to serve the needs of the nation's modernization programmes. Over the years, we have consistently carried out this principle and achieved notable results in both urban and rural areas. However, due to our relatively low economic and cultural standards and the uneven levels of development nationwide, a number of problems remain to be tackled. We find that many of the ideas and measures expounded in the "state of world's children 1985" are of practical value to the promotion of children's work in China.

The Chinese Government has all along appreciated and attached importance to the UN agencies' development activities and the aid programs initiated by other bodies which help to bring about social and economic advancement in the developing countries. In this connection, I should like to point out, in particular, that the cooperation between China and UNICEF has been going on very well. Our cooperative projects are making good progress and producing initial results, which have helped promote the child welfare work in China. We are glad to note that in the past 5 years, the context of our cooperation has been progressing in depth and breadth. We are especially satisfied that the 1985-1989 cooperative programme (3d cycle) comprises some multi-discipline and trans-regional projects of a comprehensive nature, and gives higher priority than the past to rural areas and outlying regions inhabited by minority nationalities. We would like to further develop this cooperation and are confident that through our joint efforts, the cooperative programmes between China and UNICEF will make still greater contributions to China's child welfare work.

CSO: 4000/75

SOUTHEAST ASIA/PACIFIC

BRIEFS

PAPUA NEW GUINEA ENVOY—Beijing, 26 Dec (XINHUA)—Chinese Ambassador to Papua New Guinea Hu Hongfan left his post for home today, according to a report from Port Moresby. Governor-General Sir Kingsford Dibela and Prime Minister Michael Somare met the outgoing ambassador on separate occasions before his departure. [Text] [Beijing XINHUA in English 0858 GMT 26 Dec 84]

VIETNAMESE SHELL KAMPUCHEAN CAMP—Aranyaprathet, Thailand, 25 Dec (XINHUA)-- Vietnamese troops fiercely shelled a Kampuchean refugee camp at Nong Samet at 03:00 this morning, forcing more than 63,000 refugees to flee into Thailand's eastern province of Prachin Buri and adjacent to Kampuchea. Nong Samet is one of the encampments controlled by resistance forces of the Khmer People's National Liberation Front (KPNLF). The Vietnamese attack met with vigorous resistance from the KPNLF forces. Fierce fighting is still going on there. Several Vietnamese shells were dropped in Thai territory across the border, forcing local residents to flee their homes. Some other Kampuchean resistance bases, too, have been under Vietnamese assault since 21 December, Prachin Buri provincial governor Shompong Pansuwang told reporters recently. The Vietnamese have attacked several bases of the KPNLF forces along the Kampuchean-Thai border since mid-November during the current dry season. The KPNLF forces led by Prime Minister Son Sann is part of the Coalition Government of Democratic Kampuchea fighting the Vietnamese occupation forces. [Text] [Beijing XINHUA in English 1159 GMT 25 Dec 84]

SRV ATTACK ON AMPIL--Aranyaprathet, Thailand, 25 Dec (XINHUA)--The Vietnamese shelling of a Kampuchean refugee camp at Nong Samet, which started early this morning, has subsided and fighting there has almost come to a halt. Nong Samet is one of the encampments controlled by resistance forces of the Khmer People's National Liberation Front (KPNLF) led by Son Sann, prime minister of the Coalition Government of Democratic Kampuchea. Officers of the Thai Armed Forces stationed in Aranyaprathet, Prachin Buri Province, estimated that the Vietnamese forces might amount an attack on the northern part of Ampil, the main command headquarters of the KPNLF, in the coming few days. More than 100 of the over 63,000 refugees who fled from Nong Samet into Thailand's eastern province of Prachin Buri were wounded by gunfire. They have been sheltered for the time being in a Thai place 3 kilometers inside Thai territory. [Text] [Beijing XINHUA in English 1855 GMT 25 Dec 84]

CSO: 4000/75

## NATIONAL AFFAIRS

### FAXUE JOURNAL ON ROLE OF CHINA'S CONSTITUTION

Shanghai FAXUE /JURISPRUDENCE/ in Chinese No 9, 10 Sep 84 pp 1-5

/Article by Wang Shuwen /3769 0547 2429/: "The Role of China's Constitution in the Coordinated Development of Its Legal System"/

/Text/ The discussion on the question of coordinated development of China's legal system proposed by the Editorial Board of the FAXUE journal is of great theoretical and practical significance for building a socialist legal system with Chinese characteristics to serve China's socialist modernization. This article presents may personal understanding and appreciation of the role of the present Constitution in the coordinated development of our legal system.

The Constitution Has Established the Guiding Principles for the Coordinated Development of the Legal System

The present Constitution is a socialist constitution with Chinese characteristics, a general rule for running the country and maintaining peace and order in the new period. It has established the following important guiding principles for the coordinated development of our country's legal system:

1. It takes the four cardinal principles as the basic guiding ideology.

The Constitution takes the four cardinal principles as its overall guiding ideology, which is also the basic guiding ideology for the coordinated development of our country's legal system. The Constitution reflects that our country, by setting straight its guiding ideology, has not only restored the original qualities of the four cardinal principles but upheld and developed them under the new historical conditions. Only by adhering to the four cardinal principles can we insure coordinated and sound development of our legal system along the right track.

2. It serves socialist modernization.

The Constitution clearly spells out in the Preamble that the nation's basic task in the new period is "to concentrate its effort on socialist modernization" and "to modernize industry, agriculture, national defense and science and technology step by step to turn China into a socialist country with a high level of culture and democracy." The fulfillment of this basic task is the

greatest reality in our country in the new period. If coordinated development of the legal system must proceed from realities, it must proceed from this greatest reality.

3. It is suited to the socialist economic base.

The Constitution has provided the legal basis for the harmonious development of the legal system and the economic base in our country. First, it stipulates that China's socialist economic system is based on the socialist public ownership of the means of production. Then, summing up the country's achievements in restructuring the economic system, it stipulates that it is necessary to develop diverse economic forms on the premise of upholding the dominating position of the state economy, spells out the principle of insuring the leading role of the planned economy supplemented by market regulation and provides for the decisionmaking power and democratic management of state enterprises and collective economic organizations and the practice of various forms of the socialist responsibility system. The various economic laws being made on the basis of these principled stipulations will meet the requirement of China's productive forces at their actual current level, effectively readjust the various economic relations, push forward the structural reform of the economic system and insure the proportionate and coordinated growth of the national economy.

4. It correctly handles the relationship between material civilization and spiritual civilization.

To achieve the great goals of socialist modernization, we must develop not only a high level of material civilization but also a high level of spiritual civilization. The Constitution makes the development of a socialist spiritual civilization a basic task and fighting goal for the people of the whole country and comprehensively sets forth the two aspects of developing socialist spiritual civilization, namely, cultural development and ideological education. This is a first in socialist constitutions. Basing ourselves on the Constitution, we will be able to devote major efforts to strengthening legislation on education, science and culture to enable our legal system to harmoniously readjust the relationship between material civilization and spiritual civilization and more effectively serve the development of both.

5. It correctly handles the relationship between democracy and dictatorship.

The Constitution clearly stipulates that ours is a socialist state under the people's democratic dictatorship. On the one hand, it practices extensive socialist democracy among the masses of the people, and on the other hand, it exercises dictatorship over a handful of hostile elements who try to undermine socialism. On developing socialist democracy, the Constitution stipulates that all state power belongs to the people, that the organs through which the people exercise state power are the people's congresses at different levels and that the implementation of direct democracy by the people is guaranteed through mass organizations of self-government at the grassroots level such as the residents committees and villagers committees and through the democratic management of state enterprises and collective economic organizations. Moreover, it also

stipulates that the Chinese people must fight against the forces and elements at home and abroad that are hostile to China's socialist system and trying to undermine it, suppress treasonable and other counterrevolutionary activities and strike at criminals who jeopardize public security, undermine the socialist economy, or are guilty of other serious offenses. By stipulating that China's state system is one of people's democracy, the Constitution provides the legal basis for the proper integration of democracy and dictatorship.

6. It correctly handles the relationship between democracy and centralism.

The Constitution clearly stipulates that China's state organs practice the principle of democratic centralism. The people's congresses at all levels are established through democratic election, and they are responsible to the people and subject to the people's supervision. All administrative, judicial and procuratorial organs are created by the people's congresses, to which they are responsible and under whose supervision they operate. Thus it shows the correct relationship between the people and their representative bodies and between the representative bodies and other state organs. At the same time, on the premise of guaranteeing unified exercise of state power by the people's congresses, the Constitution also clearly divides the functions and powers of the administrative, judicial and procuratorial organs to insure that the organs of state power will harmoniously work together with other state organs. Moreover, while guaranteeing the practice of democracy among the people, the Constitution also stipulates that citizens have the duty to abide by the Constitution and the law and observe discipline and public order. On the basis of these principled provisions of the Constitution, China's legal system correctly integrates a high level of democracy with a high level of centralization to create a lively political situation of stability and unity, in which there are both democracy and centralism, both freedom and discipline.

7. It correctly handles the relationship between the central and local authorities.

The Constitution stipulates that ours is a socialist country with a single system and determines the division of functions and powers between central and local state organs. Under the unified leadership of the central government, the initiative and enthusiasm of the localities will be given full play. The National People's Congress is the highest organ of state power. The National People's Congress and its Standing Committee exercise the legislative power of the state. The State Council is the highest organ of state administration and exercises unified leadership over the work of local organs of state administration at different levels throughout the country. Local people's governments at various levels throughout the country are organs of state administration under the unified leadership of the State Council and are subordinate to it. At the same time, the Constitution has strengthened the institution of the local people's congresses at different levels, stipulating that the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government and their standing committees may adopt local regulations and so forth. These principled provisions are of great significance for insuring the coordinated development of the legal system at the central and the local levels and bringing into play the initiative of both the central and local authorities.

8. It correctly handles the relationship between the state, the collective and the individual.

The Constitution gives numerous principled stipulations in this respect. For example, it stipulates that the state guarantees the consolidation and growth of the state economy; protects the lawful rights and interests of the urban and rural economic collectives and encourages, guides and helps the growth of the collective economy; and protects the right of the individual economy to own lawful property and the right of citizens to inherit private property. At the same time, it clearly stipulates that the state properly apportions accumulation and consumption, pays attention to the interests of the collective and the individual as well as of the state and, on the basis of expanded production, gradually improves the material and cultural life of the people. These provisions properly combine the interests of the state, the collective and the individual and establish a guiding principle for the correct handling of their relations in the development of our legal system.

9. It correctly handles the relationship between citizens' rights and duties.

The Constitution clearly spells out two basic principles: One is that all citizens are equal before the law, and the other is that all citizens have the same rights and duties. These two principles mean that 1) every citizen equally enjoys the rights prescribed by the Constitution and the law, 2) every citizen equally performs the duties prescribed by the Constitution and the law, and 3) all citizens are equal in the application of the law, and no special privilege of any kind is permitted by the law. Thus the Constitution provides the legal basis for the correct handling of the relationship between citizens' rights and their duties in the development of the legal system.

10. It lays down the principle that the state upholds the uniformity and dignity of the socialist legal system.

Article 5 of the General Principles of the Constitution clearly states that "the state upholds the uniformity and dignity of the socialist legal system," which is a basic principle for further improving China's socialist legal system. At the same time, the Constitution also stipulates that the people of all nationalities and all organizations in the country have the duty to uphold the dignity of the Constitution and insure its implementation, that no law or administrative or local rules and regulations shall contravene the Constitution, that all organizations and individuals must abide by the Constitution and the law, and that all acts in violation of the Constitution and the law must be looked into. These principled provisions undoubtedly are extremely significant for the coordinated development of the legal system.

**The Constitution Has Laid Down the Basic Policies and Measures for the Coordinated Development of the Legal System**

To insure the coordinated development of the legal system, it is extremely important that the relations between the enactment, implementation and observance of laws be properly handled so that the three can develop in coordination with one another.

On the enactment of laws, the Constitution has summed up the legislative experience accumulated since the founding of New China and, in the requirements of the new historical period, reformed and improved our country's lawmaking process. This mainly includes: 1) The legislative power of the NPC Standing Committee has been expanded. Except for basic laws, which should be enacted by the full NPC, all other laws will be enacted by the NPC Standing Committee, so that major problems arising in the course of socialist modernization, which urgently need solutions, can be solved in good time. This is a major reform in China's legislative system. 2) The State Council has the power to enact administrative rules and regulations in accordance with strengthening the legal system in the administrative organs. 3) The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government and their standing committees may adopt and promulgate local regulations, which must not contravene the Constitution, the statutes and the administrative rules and regulations. This is conducive to strengthening the local legal system under the unified leadership of the central authorities. 4) The Constitution comprehensively defines and rationally divides the functions of the organs of political power at all levels, ranging from organs of state power to organs of state administration and from the central to the local levels, in maintaining the uniformity of the country's legal system. These provisions are conducive to strengthening the country's legislative work, upholding the country's legislative uniformity, maintaining the dignity of the Constitution and the law and insuring the coordinated development of lawmaking in China.

On law enforcement, the Constitution gives complete instructions as to how different departments and state organs at various levels should see to it that the Constitution and the law are implemented. First, the Constitution gives important duties and powers to organs of state power at various levels in supervising and insuring the implementation of the Constitution and the law, stipulating that the NPC and its Standing Committee have the authority to interpret the Constitution and supervise its enforcement, and that while taking part in production, other work and public activities, deputies to the NPC should help enforce the Constitution and the law. Local people's congresses at various levels should insure that the Constitution, the statutes and the administrative rules and regulations are observed and enforced in their respective administrative divisions. Second, in the chapter on the Structure of the State, the Constitution devotes a special section to the basic principles governing the organization and activities of the people's courts and people's procuratorates. The people's courts are the judicial organs of the state and shall, in accordance with the law, exercise judicial power independently. The people's procuratorates are state organs for legal supervision and shall, in accordance with the law, exercise procuratorial power independently. Both are not subject to interference by administrative organs. Public organizations or individuals. In addition, the Constitution stipulates that the people's courts, people's procuratorates and public security organs shall, in handling criminal cases, divide their functions, each taking responsibility for its own work, and they shall coordinate their efforts and check each other to insure correct and effective enforcement of the law. Furthermore, the Constitution stipulates that the State Council is the executive body of the highest organ of state

power, is responsible, and reports on its work, to the NPC or, when the NPC is not in session, to its Standing Committee. The State Council may adopt administrative measures, enact administrative rules and regulations and issue decisions and orders in accordance with the Constitution and the statutes. Local people's governments at various levels are the executive bodies of local organs of state power, and they are responsible, and report on their work, to people's congresses at the corresponding level and to state administrative organs at the next higher level. Thus the Constitution clearly defines and rationally divides the functions and powers of the organs of state power, state administrative organs, people's courts and people's procuratorates in implementing the Constitution and the law, thereby insuring the coordinated development of law enforcement in our country.

On the observance of law, the General Principles of the Constitution stipulates that all state organs, the armed forces, all political parties and public organizations and all enterprises and establishments must abide by the Constitution and the law, and that no organization or individual has the privilege of being above the Constitution and the law. It is stressed that all organizations and individuals must act strictly according to law. It is worth noting that the political parties at various levels mentioned here also include the CPC. The Party Constitution adopted by the 12th CPC National Congress stipulates: "The party must conduct its activities within the limits permitted by the Constitution and the laws of the state." The report to the 12th CPC National Congress also points out: "The party leads the people in making the Constitution and laws which, once adopted by the supreme organ of state power, must be strictly observed by the whole party." This fully illustrates the great importance our party attaches to the implementation of the Constitution and the law, and it is of extremely great significance for increasing the awareness of the Constitution and the law among all party members and enhancing their consciousness of the need to enforce the Constitution and the law. At the same time, as mentioned previously, the chapter on the Fundamental Rights and Duties of Citizens of the Constitution stipulates the principle that all citizens are equal before the law and have the same rights and duties, and that every citizen enjoys the rights and at the same time must perform the duties prescribed by the Constitution and the law. Acting strictly according to these provisions of the Constitution, we can insure that under the party's leadership the people of all nationalities throughout the country, all state organs, groups and organizations will join together in observing the Constitution and the law, uphold the authority and dignity of the Constitution and the law and fight resolutely against acts in violation of the law.

#### The Constitution Is the Core and Basis of China's System of Socialist Laws

The role of the Constitution in the coordinated development of China's legal system is also manifest in its being the core and basis of the system of socialist laws with Chinese characteristics being developed in the country. The development of this system of socialist laws, based on the Constitution and proceeding from China's actual conditions, is of great significance to further improving our legislative work, insuring the implementation of the Constitution and laws and stepping up the development of the socialist legal system. In the legislative area, the development of the system of socialist laws will help us

in drawing up an overall legislative plan, carrying out legislative work step by step in various fields, improving all branches of lawmaking, discovering and strengthening in good time the weak links in legislative work and insuring the coordinated development of all branches of laws. In the area of law enforcement, the system of socialist laws will help the state organs and the masses of the people understand, apply and observe the laws and do things strictly according to law. Therefore, the development of the system of socialist laws with Chinese characteristics will guarantee the coordinated development of our legal system through the process of making, enforcement and observance of laws. The Constitution plays an extremely important role in the development of this system of socialist laws with Chinese characteristics and in insuring the coordinated development of China's legal system.

The Constitution is the core of the system of socialist laws, the legal basis of our legislative work and the basis on which laws in general are drawn up. A series of constitutional standards serve at the same time as the legal standards for one or several other branches of laws. Another series of constitutional standards are concretely applied, complemented and expanded in laws in general. The following are specific examples: 1) Laws in general which clearly state that they are based on the Constitution. For instance, Art 1 of the Organic Law of the State Council says that this law is drawn up according to the relevant provisions of the Constitution concerning the State Council. 2) Principles and stipulations of the Constitution which are taken as major legislative guidelines. For instance, the procedures for the election of deputies to people's congresses at different levels and the principle that citizens have the right to vote and stand for election provided for by the Constitution are included in the general rules of election laws as the main legislative guidelines. 3) Stipulations which call for relevant provisions and articles of the Constitution to be followed but give no further details. For instance, Art 1 of the NPC Organic Law stipulates that NPC sessions are convened according to relevant provisions of the Constitution. 4) Direct use of the language of relevant articles of the Constitution. For instance, the stipulations of the NPC Organic Law on the deputies' duties are direct quotes from the Constitution because the provisions of the Constitution are quite specific in this case. 5) Additions made to provisions of the Constitution. For instance, additional stipulations are made in the NPC Organic Law with regard to exemptions enjoyed by NPC deputies, which are provided for by the Constitution. 6) Articles and provisions of the Constitution which are made more specific. For instance, the Constitution spells out the principle for determining the number of deputies to the NPC and local people's congresses at different levels, but the election laws give stipulations on the specific numbers of deputies to people's congresses at different levels.

Moreover, the Constitution itself is also a law, a fundamental law. Like other laws, it has direct legal force, that is, it is directly binding and forcible. For example, although the principle of equality between men and women is provided for by the Marriage Law, the legal basis for women to enjoy equal rights as men comes directly from the Constitution. Furthermore, the Constitution is also the basic code of conduct for all organizations and individuals. Therefore, in China's system of socialist laws, the Constitution is not just a component but occupies a special position--it is the core of the system of socialist laws.

As the country's fundamental law, the Constitution is also the legal basis for drawing up other laws and standard documents. With the Constitution as the basis and foundation, the state organs are constantly working to "repeal," "change" and "make" laws. On the one hand, various articles of the Constitution, which provide for the drawing up of a large number of laws and other standard documents, are the basis for us to formulate an overall legislative plan. On the other hand, the Constitution has clearly stipulated the names and legal force of the major standard documents to be drawn up by various state organs, thus providing the basis for improving our country's socialist legislative system (the system of legislative documents). This is also of great significance to developing a system of laws with Chinese characteristics.

In short, the Constitution plays an extremely important role in the coordinated development of China's legal system. Only by taking the Constitution as the basis and foundation, proceeding from China's conditions and systematically and scientifically summing up our country's experience in developing the socialist legal system, can we achieve coordinated development of our legal system. Only in this way can we develop a socialist legal system with Chinese characteristics and make sure that our country will be built into a modern socialist state with a highly-developed culture and democracy.

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NATIONAL AFFAIRS

BRIEFS

WU XUEQIAN, ENVOYS EXCHANGE GREETINGS--Beijing, 28 Dec (XINHUA)--The Chinese Foreign Ministry this evening gave a new year reception at the Great Hall of the People for diplomatic envoys of various countries in Beijing. At the reception, Chinese Foreign Minister Wu Xueqian and other senior officials of his ministry exchanged new year greetings with the diplomats present. They drank toasts to the constant development of the friendship between the people of China and other countries. The reception was followed by a performance of musical and dance items presented by the central ensemble of national music, the central ballet troupe and the central conservatory. [Text] [Beijing XINHUA in English 1620 GMT 28 Dec 84]

CSO: 4000/73

## EAST REGION

### JIANGSU LEADERS ATTEND PARTY CONGRESS CLOSING

OW201151 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 19 Dec 84

[Text] The 7-day Seventh Provincial Party Congress came to a successful conclusion in Nanjing this afternoon. The congress, after serious discussions and deliberations, adopted a report by Comrade Han Peixin on the work of the sixth Jiangsu Provincial CPC Committee and a report by Comrade (Xing Bai) on the work of the Jiangsu Provincial Discipline Inspection Commission. Through animated discussions and democratic procedures, the congress elected the Seventh Jiangsu Provincial CPC Committee, the Jiangsu Provincial Advisory Commission, and the Jiangsu Provincial Discipline Inspection Commission. The congress, which was permeated with an atmosphere of democracy and unity from beginning to end, was a complete success.

A total of 835 political deputies attended the closing ceremony. Comrades who attended the congress as observers also participated in the closing ceremony.

Han Peixin, Shen Dajen, Gu Xiulian, Sun Han, Jin Xun, Luo Yunlai, (Ye Dewang), Sun Jiazheng, Liu Lin, Chu Jiang, and (Xing Bai), executive members of the congress presidium, were seated on the rostrum. Jiang Weiqing and Hui Yuyu, members of the Central Advisory Commission who were in Nanjing; Zhou Aqing, alternate member of the CPC Central Committee who were in Nanjing; Kang Di, member of the Central Discipline Inspection Commission; (Wang Luojie), responsible comrade of the Jiangsu Liaison Office of the Central Commission for Guiding Party Rectification; Liu Shuqing, (Gao Jiefu), (Quan Feiheng), (Wang Hongzhi), (Cheng Bingwen), (Ding Fangxin), and (Zhang Jingwu), principal members of various democratic parties and representatives of nonparty figures in Jiangsu, were also seated at the rostrum by invitation.

Deputies attending the congress unanimously adopted the resolution of the Seventh Jiangsu Provincial CPC Congress on the report on the work of the Sixth Jiangsu Provincial CPC Committee and the resolution of the congress on the report on the work of the Jiangsu Provincial Discipline Inspection Commission.

Comrade Gu Xiulian presided over the closing ceremony and delivered the closing address. She said:

[Begin recording] Comrades, the Seventh Jiangsu Provincial CPC Congress has successfully fulfilled its planned tasks thanks to the efforts of all

participating deputies. The current congress has served as a meeting to mobilize all forces to further implement the guidelines of the 12th Party Congress and the 3d Plenary Session of the 12th CPC Central Committee, to create a new situation, and to win new victories. This congress is a very important meeting in the history of the party in Jiangsu. It will certainly inspire the people of the whole province to work with one heart and one mind, to advance in big strides, and to improve Jiangsu's work in various fields. [end recording]

Comrade Gu Xiulian pointed out:

[Begin recording] The next congress will be held 5 years from now. During this period we must accelerate the pace of economic development in our province, basically accomplish the reform of our economic structure, double our province's industrial and agricultural output value ahead of schedule, successfully carry out the overall rectification of the party, and bring about a fundamental turn for the better in financial and economic work, in social conduct, and in the party's work style in order to lay a solid foundation for our province's future development. We must boldly carry out this historical mission, make unremitting efforts to fulfill the tasks set by this congress, and work hard to fulfill the general tasks and general goals set by the 12th Party Congress, to build a new modern and highly civilized life, and to build a bright and prosperous future for Jiangsu. [end recording]

After the internationale was played, Comrade Gu Xiulian said:

[Begin recording] I now declare the Seventh Jiangsu Provincial CPC Congress successfully closed. [end recording]

CSO: 4005/264

EAST REGION

ANHUI PROVINCIAL STANDING COMMITTEE SESSION

OW170418 Hefei Anhui Provincial Service in Mandarin 1100 GMT 16 Dec 84

[Excerpts] The 11th session of the Standing Committee of the Sixth Anhui Provincial People's Congress started in Hefei on 14 December. The participants studied the Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure adopted by the 3d Plenary Session of the 12th CPC Central Committee. In their discussions, the members of the Standing Committee are convinced that the decision has penetratingly explained the orientation, nature, and tasks as well as various basic principles and policies for restructuring China's entire national economy, focusing on the urban economy. It is a programmatic document guiding China's reform of the economic structure and a document of political economy which integrates the basic theory of Marxism with the concrete practice of socialism in China. It provides a blueprint for building socialist modernization with Chinese characteristics.

The session started to examine three local laws on the afternoon of 15 December. It will hear reports by the Provincial People's Government on the results of visit to foreign countries by the provincial economic and trade delegation and the exhibition of Anhui's products in Hong Kong.

Su Yu, Zhang Zuoyin, and Wei Xinyi, vice chairmen of the Standing Committee of the Provincial People's Congress, presided over plenary meetings. Other vice chairmen of the Standing Committee of the Provincial People's Congress attending the session were Huang Yan, Deyi, Zheng Rui, Yang Chengzong, Zhao Minxue, Ying Yiquan, Kang Zhijie, Du Weiyou, and Zheng Huaizhou.

Attending the session as observers at invitation were Hou Yong, vice governor of the Provincial People's Government, and responsible persons of the Provincial Higher People's Court, the Provincial People's Procuratorate, and related departments and bureaus of the Provincial People's Government. The responsible persons of standing committees of people's congress of the eight cities under the jurisdiction of the Provincial People's Government and a number of counties also attended the session as observers.

CSO: 4005/264

EAST REGION

BRIEFS

SHANGHAI AMATEUR WRITERS' NEWSPAPER--Approved by departments concerned, WEN YOU BAO [Literary Friends' Journal], Shanghai's first newspaper founded with funds collected from amateur writers, will be published on New Year's Eve. A monthly published, on a trial basis, the journal will carry literary works of amateur writers. [Summary] [Shanghai City Service in Mandarin 1100 GMT 15 Dec 84 OW]

SOCIAL SCIENTISTS MEETING--The Zhejiang Provincial Federation of Associations of Social Sciences was inaugurated on 18 December in Hangzhou. Leading comrades of the Zhejiang Provincial CPC Committee including Xue Ju, Luo Dong, and Shen Guifang attended the inauguration meeting by invitation. Comrade Xue Ju addressed the meeting, pointing out: There are some major problems in the present reform activities which have to be solved theoretically. He called on social science workers to devote themselves to reform activities and to make rigorous and objective studies to make positive contributions to the four modernizations. [Text] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 18 Dec 84]

ANHUI PEOPLE'S STANDING COMMITTEE--The 11th Session of the Standing Committee of the 6th Anhui Provincial People's Congress held a plenary meeting on the afternoon of 17 December and morning of December. The meeting listened to the following: "A report by Hou Yong, vice governor of the provincial people's government, on an overseas visit by the Anhui Provincial Economic and Trade Delegation, and an exhibition of Anhui products held by the delegation in Hong Kong; a report by Liu Guangcai, director of the provincial scientific and technological commission, on efforts to tackle scientific and technological problems and popularize scientific and technological achievements; a report by (Ji Bahan), deputy director of the provincial public security department, on Hua's struggle to combat crime, and the public order situation; and a report by (Bai Shouqian), deputy director of the provincial administration for industry and commerce, on Anhui's implementation of the Economic Contract Law, and comments on that law. The meeting also examined and discussed the report on efforts to tackle scientific and technological problems, and popularize to combat crime and the public order situation, and the report on the implementation of the Economic Contract Law, and comments on that law. [Excerpts] [Hefei Anhui Provincial Service in Mandarin 1100 GMT 18 Dec 84]

PRESIDIUM HOLDS PLENUM--The Presidium of the Seventh Jiangsu Provincial Party Congress held its fourth plenary session on the afternoon of 18 December.

Comrade Sun Han presided over the meeting. He first announced the results of the preliminary election of the candidates for members and alternate member of the Seventh Jiangsu Provincial Party Committee, the Provincial Advisory Committee, and the Provincial Discipline Inspection Committee. The Presidium meeting unanimously approved the formal namelists of candidates for the above three committees, and submitted the namelists to the party congress for election. [Text] [Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 18 Dec 84]

ZHEJIANG PARTY ADVISORY COMMISSION--The Zhejiang Provincial CPC Committee Advisory Commission held its second plenary session on 16 and 17 December. The session was held in the wake of the Second Enlarged Plenary Session of the Seventh Zhejiang Provincial CPC Committee, which members of the Advisory Commission attended. The plenary session of the Advisory Commission implemented the guidelines of the Provincial CPC Committee meeting. It emphatically pointed out: Under the new conditions of all-round economic restructuring centering on urban reform, the Provincial Advisory Commission should serve as the Provincial CPC Committee's good political assistant and advisor. Tie Ying, chairman of the Advisory Commission, reviewed the commission's work since its establishment and put forward suggestions on carrying out next year's work. His suggestions were: 1) Seriously study the documents of the 3d Plenary Session of the 12th CPC Central Committee; 2) gear work to reality and carry out investigation and study; 3) carry party rectification through to the end; and 4) discover and recommend capable personnel. [Text] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 19 Dec 84]

CSO: 4005/264

CENTRAL-SOUTH REGION

CPPCC COMMITTEE STANDING COMMITTEE MEETING ENDS

HK190829 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 18 Dec 84

[Excerpts] The Eighth Enlarged Meeting of the Fifth Guangdong Provincial CPPCC Committee Standing Committee lasted 4 days and concluded in Guangzhou this afternoon. The meeting discussed how to further create the situation in united front work in our province.

The meeting held: In the new historical period, patriotic united front work must further serve economic construction in the open cities and special economic zones along the coasts. In the course of economic activities with foreign countries, since our province implemented special policies and flexible measures, all democratic parties, people's organizations, and personages of various circles inside and outside the province have cooperated closely and have given play to the positive role of united front work.

At this meeting, Xie Fei, secretary of the provincial CPC Committee, put forward suggestions on how to further create a new situation in united front work in our province.

The comrades present at the meeting studied the spirit of the Seventh Enlarged Meeting of the Sixth CPPCC National Standing Committee, the spirit of the national forum on united front work and CPPCC Committee work in the open cities and special economic zones along the coasts, and the spirit of the important speeches of responsible comrades of the central authorities. They unanimously endorsed the joint declaration on the question of Hong Kong initialed by both the Chinese and British Governments. They also put forward positive views and suggestions on how to do our province's united front work well.

CSO: 4005/262

CENTRAL-SOUTH REGION

CASE TRIED INVOLVING HONG KONG BUSINESSMEN

HK271536 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 25 Dec 84

[Excerpts] This morning the Guangdong Provincial Higher People's Court, mandated by the Supreme People's Court, publicly pronounced judgment on a case of encroaching on the legitimate rights and interests of Hong Kong Renren Enterprise Ltd in Guangzhou's Renren Restaurant by Hong Kong businessman Wu Bodiong and the Hong Kong Huahong Catering Service Company Ltd.

This was an economic case and both parties involved in the case were Hong Kong businessmen. In order to exercise judicial power according to the law and protect the legitimate rights and interests of Hong Kong businessmen, the provincial higher people's court, has conducted in-depth investigation since it was instructed to deal with the case at the end of 1982. It has now affirmed that the Hong Kong Catering Service Development and Trading Company Ltd., a subsidiary of the Hong Kong Renren Enterprise Ltd., signed a contract with the Guangzhou Catering Service Company in July 1981 on cooperatively reforming and operating Guangzhou's Renren Restaurant. It invested about 1.03 million Hong Kong dollars and appointed Wu Boxiong as its manager to be in charge of the concrete work in Guangzhou.

However, behind the back of the Hong Kong Renren Enterprise Ltd, Wu Boxiong changed the name of the Hong Kong Honghua Catering Service Company to the Huahong Catering Service Company in February 1982 and invited new shareholders. He used the funds invested by the former Honghua Company and embezzled all the profits which the Honghua Company should have obtained from the Renren Restaurant, thus seriously encroaching on the legitimate rights and interest of Hong Kong Renren Enterprise Ltd.

After repeated, unsuccessful mediation, the provincial higher people's court ruled in October 1983 that the Huahong Catering Service Company should refund the principal of 1.03 million Hong Kong dollars to Renren Enterprise Ltd, and pay for the loss of 390,000 Hong Kong dollars. Wu Boxiong and Hong Kong Huahong Catering Service Company refused to accept the ruling and lodged an appeal.

After trying the case, the Supreme People's Court recently made a final adjudication to reject the appeal and uphold the verdict, and instructed the provincial higher people's court to publicly pronounce the judgment.

## CENTRAL-SOUTH REGION

### WUHAN CITY REFORMS CADRES PERSONNEL SYSTEM

Beijing RENMIN RIBAO in Chinese 23 Oct 84 p 1

[Article: "Wuhan City Practices Cadres Contract and Appointment System"]

[Text] The Wuhan Municipal CPC Committee and people's government recently worked out a procedural method for trial implementation concerning cadres personnel system reform to be carried out in organizations directly under the municipal CPC committee and decided that systems such as appointment, tenure of office, rewards and penalties as well as personnel exchange have to be applied to responsible cadres of the various departments, commissions, staff offices, bureaus and divisions (offices) directly under the municipal CPC committee.

It is stipulated in the procedural method that, cadres of the various organizations must be selected from among the best cadres available at the grass-roots level units. Departments which are more professional may give public notice of a vacancy to be filled in order to sign an appointment contract. On the expiration of the contract, either an extension or a discontinuation of it may be decided on the basis of one's performance. The system of tenure of office is applicable to all responsible cadres of the various departments, commissions, staff offices, bureaus and divisions (offices). In general, a cadre is to be assigned to a job for a term of 3 to 4 years. On the expiration of tenure of office, a cadre may stay for another term provided that the matter is discussed by the masses and assessed and approved by departments concerned. The system of conducting annual routine check is applicable to the above-mentioned cadres who are in responsible positions. Cadres' performance is to be evaluated and graded through assessment and rewards and penalties are to be carried out accordingly. Cadres with better records will be promoted and cadres who have been working with a unit for a relatively long time or those whose renewed term of office has been expired must be interchanged in groups and by stages in a planned way.

The Wuhan municipal CPC committee and people's government are in the opinion that, in carrying out the reform, the key lies in having the right people. They hold firm that the reform of cadres personnel system must be handled as a crux which has a bearing on the success and failure of the reform of the urban economic system. Over the past 6 months, systems such as appointment, tenure of office, factory director responsibility system and appraisal through

discussion have been extensively carried out in 1,250 enterprises. Better results have been achieved in the reform of cadres personnel system of enterprises. The reform of the cadres personnel system of organizations directly under the municipal CPC committee which is being carried out is aimed at further meeting the needs in the reform of the urban economic system so that these organizations will become sample organizations which have "simplified organizational structure, high efficiency, close links with the masses and least bureaucratic workstyle."

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CSO: 4005/155

CENTRAL-SOUTH REGION

HENAN PEOPLE'S CONGRESS MEETING CONCLUDES

HK260237 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 25 Dec 84

[Excerpts] The 10th meeting of the 6th provincial people's congress Standing Committee concluded on 25 December after 8 days in session. Chairman Zhao Wenfu presided and spoke. In accordance with Governor He Zhukang's recommendation, the meeting decided to appoint Qin Kecai and (Hu Tiyum) as vice governors of Henan. In accordance with Governor He Zhukang's recommendation and Vice Governor Yue Xiaoxia's resignation request, the meeting decided to relieve Yue Xiaoxia from his post as vice governor. The meeting also approved other appointments and dismissals.

Zhao Wenfu said in a speech: This meeting has approved the appointment of a number of cadres, and in particular, of two vice governors who are in the prime of life. This will play a positive role in strengthening the leadership force of the provincial government and promoting the province's four modernizations. I hope the comrades taking up new posts will emancipate their minds, be keen on reform, serve the people wholeheartedly, and not disappoint the trust of the province's 70 million people.

The meeting was attended by provincial people's congress Standing Committee vice chairmen Zhang Shude, Ma Ruihua, Shao Wenjie, Wu Shaokui, Ding Shi, Chen Bingzhi, Guo Peijun, and Fan Lian.

The meeting appointed (Wang Fengwang) director of the provincial petrochemical industry department; and (Fang Lue) director of the provincial prices bureau. It relieved (Du Jun) of his post as director of the provincial petrochemical industry department. The meeting appointed (Liu Wenshi), (Su Yuan), and (Lu Kun) members of the laws committee of the provincial people's congress.

CSO: 4005/283

CENTRAL-SOUTH REGION

GUANGDONG'S LIN RUO SPEAKS ON PARTY RECTIFICATION

HK240626 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 24 Dec 84

[Text] According to NANFANG RIBAO, from 4 to 22 December the provincial CPC committee held a party rectification work conference for city and prefectural CPC committees.

At the conference, Lin Ruo, secretary of the provincial CPC committee, worked out the requirement that party rectification is next year's important task for various city and prefectural CPC committees, and therefore must be conscientiously done well. The leadership of city and prefectural CPC committees is the crux of doing well in party rectification at this stage.

On the second stage of party rectification, Lin Ruo said: City and prefectural enterprises and institutions, as well as other units at the same level, will form the first batch of units which should be ready for party rectification by next year's Spring Festival. This includes the training of a core. The campaign will be fully under way after the Spring Festival. On the other hand, the party rectification work for county units will be formulated following the spring plowing.

He said: The second batch of units should tackle the following tasks in addition to the four tasks stipulated in the CPC Central Committee's decision on party rectification!

1. We should conscientiously implement the CPC Central Committee's decision on reform of the economic structure.
2. We should conscientiously rectify the new malpractices developed in the new situation.
3. We should really overcome the erroneous thinking and tendency of exploiting advantages of policies, violating state regulations, and abusing power in the course of building.
4. We should really grasp well the education of totally negating the Great Cultural Revolution.
5. We should really strengthen the building of the party, particularly the building of ideology.

CSO: 4005/283

CENTRAL-SOUTH REGION

GUANGXI ISSUES SANITATION, SOCIAL ORGANIZATION CIRCULAR

HK260520 Nanning Guangxi Regional Service in Mandarin 1130 GMT 20 Dec 84

[Excerpts] On 17 December, the regional people's government issued a circular demanding that all urban areas throughout the region seriously step up the work of keeping places clean and organizing the social situation so as to allow the masses to greet and happily spend New Year's Day 1985 and the Spring Festival.

The circular from the regional people's government points out: In recent years, following the extensive launching of the [word indistinct] and courtesy month drive and of the three goods and one study drive, the dirty and disorderly situation in urban areas has become somewhat better. However, urban planning, construction, and management is not very well suited to the new situation in current reform and opening. The problems of dirt and disorder still exist in many urban areas.

The regional people's government demands: From now to the Spring Festival, all urban areas throughout the region must extensively mobilize the masses to unfold the activities of keeping places clean and organizing the social situation. The specific demands are:

1. To keep places clean and organize the situation, it is necessary to make a new breakthrough. Before New Year's Day 1985 and the Spring Festival, it is essential to mobilize the masses to seriously clean the environment in large and small urban areas, to strengthen organizing the social situation in the markets and other public places, and to organize traffic at railroad and motor vehicle stations, wharves, ferries, and in streets. We must simultaneously grasp the work of keeping places clean and organizing things.
2. We must seize the current good season to do well in afforestation this winter and next spring.
3. It is imperative to enliven the masses' cultural life around the festivals. In connection with the work of keeping places clean and organizing things, political and propaganda departments must strengthen education in the legal system, must strictly prohibit gambling, and must resolutely curb feudal and superstitious activities. Cultural and sports departments must make good arrangements for the masses' cultural, sports, and amusement activities so that the masses in urban areas can happily enjoy the festivals.

CENTRAL-SOUTH REGION

GUANGXI CIRCULAR URGES RESTORING DISPUTES OFFICES

HK251416 Nanning Guangxi Regional Service in Mandarin 1130 GMT 24 Dec 84

[Excerpts] With the approval of the Regional People's Government, the office of the Regional People's Government issued a circular on 22 December urging people's governments at all levels to restore and strengthen offices for readjusting and handling forest, land, and water disputes in various localities, so as to conform to the requirement of invigorating the internal economy and opening to the outside world.

The circular pointed out: Since its establishment in 1973, the leading group office for handling forest, land, and water disputes had, under the leadership of people's governments at all levels, handled a large number of forest, land, and water disputes and had played a positive role in promoting stability and unity. The office was abolished in 1983. Over the past year and more, facts have shown that the abolition of this office did not help us handle the disputes well. In order to conform to the requirement of invigorating the internal economy and opening to the outside world, the Regional People's Government urges people's governments at all levels to include this work in their agenda and seriously grasp it well.

First, the people's government at all levels should strengthen the leadership over the work of readjusting and handling forest, land, and water disputes. The Regional People's Government should restore the Regional People's Government office for readjusting and handling forest, land, and water disputes, which will be supervised by a vice chairman of the Regional People's Government. The office will be located at the regional judicial department. The director of the office should be concurrently a deputy department head. Various prefectural, city, county, and autonomous county offices for handling forest, land, and water disputes, which have not been abolished, should be strengthened and be renamed offices for readjusting and handling forest, land, and water disputes. Those offices that have been abolished should be restored promptly. Each of these offices should be headed by a leader at prefectural, city, county, or autonomous county level.

Second, the power of the office for readjusting and handling forest, land, and water disputes is mainly to readjust and handle forest, land, and water disputes which are the responsibility of the governments; to sum up and exchange experience in handling the disputes; to conduct education on the legal system; and to do well in the work of preventing disputes.

Third, the principle of readjusting and handling the disputes in the office is mainly to investigate and sum up and publicize the experience of handling the disputes in various localities. Any prefectural, city, county, or autonomous county dispute should be handled by the people's government at that level.

CENTRAL-SOUTH REGION

MAO ZHIYONG ATTENDS HUNAN COMMENDATION MEETING

HK271018 Changsha Hunan Provincial Service in Mandarin 0100 CMT 27 Dec 84

[Text] Yesterday, the provincial CPC committee and the provincial government awarded 100,000 yuan in bonuses and prizes to commend railroad transport departments which had contributed toward economic construction in our province.

This year, all railroad subbureaus in our province have overfulfilled their quotas for transport, the economy, and technology for the year and have scored the best achievements in the speed of increase, economic results, and safety in production in history.

Liu Zheng, secretary of the provincial CPC committee and governor, spoke at the commendation meeting. He said: The railroad freight volume accounts for approximately half of the total freight volume in our province. All places and departments must strengthen cooperation with the railroad departments and must help them resolve their worries and difficulties. He hoped: All railroad departments in our province will increase their passenger and freight transport volume, will universally launch the three-good civilized railroad drive, and will make new contribution toward the upswing in the economy.

The units which were commended by the provincial CPC committee and the provincial government, were four railroad subbureaus--Changsha, Hengyang, Huaihua, and Liuzhou. The Changsha [word indistinct] station, the Changsha-Beijing train, the Huaihua-Liuzhou train, the warehouse of the Hengyang railroad station, and the Dongan station of the Liuzhou railroad subbureau were respectively conferred on a civilized station, a civilized train, and a civilized warehouse.

Mao Zhiyong, first secretary of the Hunan Provincial CPC Committee; Yu Haichao, vice governor; and responsible persons of departments concerned attended yesterday's commendation meeting.

CSO: 4005/283

CENTRAL-SOUTH REGION

HUNAN MEETING ON EXCHANGE OF QUALIFIED PERSONNEL ENDS

HK200424 Changsha Hunan Provincial Service in Mandarin 1100 GMT 18 Dec 84

[Excerpts] The first meeting on exchanging qualified personnel in our province lasted 6 days and successfully concluded yesterday afternoon in China. Through free conversations in many forms and at many levels and with the final say of the personnel departments at the three levels--the provincial, prefectural, and county levels--on the spot, this entirely new sort of meeting exchanged a total of 2,323 professional and technological cadres. Of them, 592 have gone through the formalities of transfer and 119 have been readjusted within the province. The problems of husband and wife living apart have been solved for 140 people, and 161 unoccupied technicians in society and people who have become useful through self-study have been employed.

At the meeting, four persons who had been discharged from reeducation-through-labor centers or from prisons were employed. Of the 172 people employed from other provinces, 21 possess senior technological titles and 49 possess middle-grade titles. The number of such people employed is nearly equal to the total number in our province in the previous 5 years. Of the more than 480 units attending the meeting on exchanging qualified personnel, some were personnel departments, some were employing units, some were enterprises under the ownership of the whole people, some were collective enterprises, and some were township and town enterprises and individual households. The number of professional and technological personnel attending the meeting was some 2,700, and the meeting received some 850 letters.

(Yan Zhongan), director of the provincial Labor and Personnel Department, presided over yesterday's closing ceremony. (Huang Daoqi), member of the Provincial CPC Committee Standing Committee; and Zhou Zheng, vice governor of the provincial People's Government, spoke at the meeting. (Kong Zhaoxun), deputy director of the provincial Labor and Personnel Department, delivered a summing-up speech on the achievements of this meeting on exchanging qualified personnel and on doing well in exchanging qualified personnel in the future. (Gu Jinshan), deputy director of the provincial Labor and Personnel Department, delivered the closing speech. Responsible comrades of the provincial party, government, and army, including Wang Hanfu, (Yang Mingge), and (Hong Wei), also attended yesterday's meeting.

CSO: 4005/262

CENTRAL-SOUTH REGION

COMMENTARY ON HUNAN EXCHANGING QUALIFIED PERSONNEL

HK211225 Changsha Hunan Provincial Service in Mandarin 1100 GMT 18 Dec 84

[Station commentary: "Qualified Personnel Are Capital for Starting an Undertaking"]

[Excerpts] The first meeting on the exchange of qualified personnel in our province has concluded. This meeting is of important significance for strengthening the exchange of professional and technological cadres in our province, for pushing forward reform of the personnel system, and for serving even better the invigoration of Hunan's economy.

Qualified personnel are the capital for starting an undertaking. While talking about the decision of the CPC Central Committee on reform of the economic structure, Comrade Deng Xiaoping pointed out: The 10 articles in the decision are all very important. The ninth is the most important. It concerns respecting knowledge and qualified personnel. We cannot accomplish the great cause of reform and can hardly fulfill the great aim of invigorating Hunan without a large number of people with various professional skills who have modern scientific and technological knowledge, knowledge of business operations, and the spirit of carrying out innovation, and who can create a new situation.

The key to the problems concerning qualified personnel lies in being good at discovery and in rational employment. In view of this, we must link our long-term aims without current work, partial work with the overall requirements, and planned transfer and allocation with flexible measures, must extensively gather information about qualified personnel, must do a good job in the calculation of the numbers of qualified personnel, and must develop the resources of qualified personnel.

We hope that through this meeting on the exchange of qualified personnel throughout the province, we can really establish the social custom of respecting knowledge and qualified personnel throughout the whole province. We also hope that through this meeting on the exchange of qualified personnel, professional and technological cadres and all intellectuals throughout the province will display their intelligence and wisdom even better at their own posts and will contribute toward the promotion of Hunan's economy at an early date.

CSO: 4005/283

CENTRAL-SOUTH REGION

HUNAN MEETING ON PARTY REREGISTRATION WORK

HK250257 Changsha Hunan Provincial Service in Mandarin 0100 GMT 25 Dec 84

[Excerpts] Yesterday morning, the provincial CPC committee's party rectification guidance group held a meeting of responsible persons of party committees and groups and directors of party rectification offices of the first batch of provincial units to carry out party rectification, to make arrangements for organizational measures and the reregistration of party members.

Jiao Linyi, secretary of the provincial CPC committee and deputy head of the committee's party rectification guidance group, and Zhang Haifeng, head of the Hunan liaison group of the Central Commission for Guiding Party Rectification, spoke at the meeting.

Jiao Linyi gave six views on how to seriously do a good job in organizational measures and the reregistration of party members: 1) Carry out ideological mobilization and fully understand the goal and significance of doing a good job in this work. 2) Seriously study the relevant documents and make the necessary preparations. 3) Be resolute and cautious in applying organizational measures. It is essential to weed out and expel from the party those elements who persistently oppose and endanger the party. The focus must be on educating the party members and on examining and reaching decisions on those few party members whose reregistration should be deferred or who should not be reregistered. 5) Strictly grasp and seriously implement the party policies. We should strive to ensure that organizational measures and the reregistration of party members are carried out accurately, appropriately, properly, and rationally. 6) Strengthen leadership. The units must proceed from reality, make specific arrangements and provide careful guidance. They should correspondingly concentrate efforts and time on getting a serious grasp of this work.

CSO: 4005/283

CENTRAL-SOUTH REGION

HUNAN STRENGTHENS CONTROL OVER FERRY VESSELS

HK241425 Changsha Hunan Provincial Service in Mandarin 1100 GMT 21 Dec 84

[Text] The provincial people's government has ruled that, with effect from 17 December, the provincial communications department will begin strengthening all-round control over ferry vessels in our province.

Over the past few years, many individual peasants or joint households in our province have bought vessels to engage in the transport trade. However, due to the fact that safety, supervisory, and management work has not caught up with the situation, there have been more accidents on waterways. The provincial communications department has demanded that individual peasants or joint households throughout the province who engage in shipping, create conditions and go through the formalities in four aspects:

1. When individual peasants or joint households buy vessels, they must obtain the certificates of a township people's government or a villagers' committee, must apply to their local industrial and commercial administrative department for registration, and must be issued business permits by the city and county industrial and commercial administrative departments after examination and approval before they can carry out business.
2. The vessels must be examined and found up to standard by the port shipping supervisory department and the formalities of registration and issuing of licenses and permits must be gone through. The steering and engineering personnel of the vessels must take examinations in accordance with the relevant regulations and can engage in steering and engineering only after they obtain certificates.
3. The vessels must take our third party [word indistinct] vessel insurance policies from the People's Insurance Company of China. Those who engage in freight transport, must take out freight transport insurance policies and those engaged in passenger transport must take out passenger accident insurance policies. They must also obtain vessel insurance policies.
4. Individual peasants or joint households who engage in shipping, must abide by the laws and orders of the government and the state, must obey the management of government departments concerned, and must pay taxes and charges in accordance with the government regulations. They must pay river maintenance charges on schedule to the port shipping supervisory department and must obtain receipts for river maintenance.

BRIEFS

HUNAN PEOPLE'S CONGRESS COMMITTEE--The 10th meeting of the 6th provincial people's congress Standing Committee opened in Changsha yesterday. At its first full session, Ge Hua, director of the provincial planning commission, delivered a report on the draft economic and social development plan for 1985 and on initial ideas on the suggested main indices for production and construction during the Seventh 5-Year Plan. (Wang Likang), deputy director of the provincial science and technology commission, gave a report on the situation in reforming the science and technology structure. Guo Sen, vice chairman of the provincial people's congress Standing Committee, presided at the meeting. [Text] [Changsha Hunan Provincial Service in Mandarin 0100 GMT 26 Dec 84]

SEYPIDIN ARRIVES IN GUANGXI--Seypidin (Aizesi), vice chairman of the NPC Standing Committee, is coming to our region to inspect nationality work. Today, he arrived in Nanning from Beijing by plane. Huang Rong, chairman of the regional people's congress Standing Committee; Wei Chunshu, chairman of the regional people's government; and Zhong Feng, Li Yindan, and Wei Zhangping, vice chairmen of the regional people's congress Standing Committee, went to the airport to welcome him. [Text] [Nanning Guangxi Regional Service in Mandarin 1130 GMT 20 Dec 84]

GUANGDONG FAMILY PLANNING DRIVE--The provincial CPC committee and government have decided that a publicity drive for family-planning month will be launched in January next year in the urban and rural areas throughout the province. The main content of the publicity drive are to completely and correctly propagate the state's policy on further perfecting family planning work and the province's policies on giving permission to eight categories of people in giving birth to babies and on prohibiting second births and multi-births beyond the plan; to propagate men and women being equal; to do a good job in propagating family planning among rural couples who have daughters only; to vigorously advocate eugenics; and to give much publicity to the marriage law and the harm of marriages between close relatives in minority nationality areas and remote mountainous areas. [Text] [Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 26 Dec 84]

WOMEN'S CONGRESS CONCLUDES--The seventh provincial women's congress concluded yesterday [19 December] after completing its agenda. Provincial party, government, and army leading comrades Liu Jie, He Zhukang, Zhao Di, Zhao Wenfu, Wang Huayun, Yao Xia, (Lin Yinfan), Hou Zhiying, Li Baoguang, and Hao Fuhong attended the closing ceremony which was held at the Henan People's Hall. (Yang Biru), the newly elected chairman of the provincial Women's Federation, presided over the ceremony. (Wu Quanxu), vice chairman of the provincial Women's Federation, delivered a closing speech. At the closing ceremony, the leading comrades awarded silk banners to 30 8 March Red Flag units and had a group photo taken with all delegates to mark the occasion. [Excerpts] [Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 19 Dec 84]

SOUTHWEST REGION

CPC MEMBERS TOLD TO STUDY PARTY CONSOLIDATION DOCUMENTS

Chengdu Sichuan Ribao in Chinese 18 Oct 84 p 1

[Article: "Party Documents Must Be Properly Studied Right at the Start of Party Consolidation"]

[Text] The party consolidation work guidance group of the Sichuan provincial party committee recently issued an announcement, instructing that units belonging to the second group of party consolidation earnestly and properly study the required documents right at the start of party consolidation.

The announcement states: As the various areas have already preliminarily studied, in a previous period, the documents designated by the Central Commission for Guiding Party consolidation, the present study should, on this basis, focus on certain selected documents for intensive study. First, the party members must earnestly study the "Decision of the Party Central Committee on Party Consolidation," the General Program and Chapters 1 and 6 of the "Party Constitution," the "Concise Edition of Important Documents since the Third Plenary Session of the 11th party Central Committee" and speeches by Comrades Deng Xiaoping and Chen Yun at the 2d Plenary Session of the 12th Party Central Committee. By means of studying they will understand the necessity and urgency of party consolidation and comprehend and master its basic principles, tasks, policies and methods. Next, they must earnestly study the part on the "Great Cultural Revolution" in the party Central Committee's "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" and some other articles. By means of studying, they will, in conjunction with the practical conditions of their own units and party members, clarify the muddled and incorrect ideas, earnestly eliminate factionalism, enhance their party spirit, and clearly recognize that the total negation of the "Great Cultural Revolution" is an important guarantee for the overall achievement of the party consolidation tasks and the promotion of the four modernizations program. Thirdly, they must earnestly study the documents of the 3d Plenary Session of the 12th party Central Committee soon to be published, Comrade Zhao Ziyang's "Government Work Report" at the 2d Session of the 6th NPC, and the Party Central Committee's Document No 1 this year. By means of studying, they will further emancipate their thinking, purge the "Leftist influence, cast off the obsolete concepts incompatible with the demands of system reform and opening to the outside, and rectify the guiding ideology of business work.

The announcement instructs: The party committees of the various levels must suitably arrange the schedule between work and study and make sure that both are given proper consideration. Concentrating energy and time is a good way to study. In this phase, each and every party member must spend a minimum of 20 days on actual studying. The leading cadres must serve as models and make up for the missed study periods due to meetings. The party committees must reinforce their leadership of studying, and the main responsible cadres must give it their personal attention in addition to assigning special persons in charge.

The announcement points out: Simultaneous consolidation and rectification is an important principle of the party consolidation this time. Beginning at the time of studying the documents, the various areas must immediately start to solve the problems which can be solved. In terms of the masses, the issue of the party style is their greatest concern. Thus simultaneous consolidation and rectification should focus on such seriously evil trends as utilizing one's functions and work conditions for private gain and following bureaucracy and being irresponsible to the party and the people. Once discovered, such evil trends must be promptly investigated, and the vivid instances used to enhance the people's confidence in party consolidation.

To supervise the studies, the party consolidation work guidance group of the provincial party committee demands that all units create the necessary discipline and systems. Upon the conclusion of this phase of study, the higher party committees must send people to inspect and accept. Only when the study is found up to standard upon inspection will it shift to the stage of comparison and examination. If it fails to reach the standard, make-up studies are required, so that the studies will not become ammere formality.

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CSO: 4005/187

SOUTHWEST REGION

FACTIONALISM COMBINED WITH POWER DEPLORED

Kunming YUNNAN RIBAO in Chinese 28 Sep 84 pp 1, 2

[Article by staff commentator: "The Combination of Factionalism With Power Is Most Dangerous"]

[Text] In the educational drive to totally negate the "Cultural Revolution," eliminate factionalism and enhance party spirit, the broad masses of cadres and people discussed the manifestations of factionalism and intensified their understanding of its dangers. They further realized that the combination of factionalism with power is most dangerous and pernicious. Factionalism usually is an issue of ideological understanding, but once combined with power, it will split the party and the cadres from the masses, shield the "three categories of undesirables," deviate from the party's political lines and damage the four-modernization program. Thus, in terms of its consequences, it cannot be called merely an issue of understanding, but may turn into a political issue.

The key to the earnest elimination of factionalism is the leading cadres of the various levels, because, with power in their hands, they hold the decisive votes in the employment and promotion of cadres and in the control of money and material and play an important role in the investigation of the "three categories of undesirables." As long as the leading cadres uphold the party spirit and have the courage to remove the interference of factionalism, they will be able to form a strong fighting leading group according to the cadre requirements; successfully lead the masses in the pursuit of the four modernizations with one heart and one mind and create a new phase; and sort out the "three categories of undesirables" firmly and steadily according to the party Central Committee's decision on party consolidation and the relevant principles and policies. If the leading cadres are factious, it will affect an entire area or unit, cause the dissatisfaction and disunity of the cadres and masses, create instability and make the firm implementation of the party's principles and policies impossible. Once combined with power, factionalism will cause damage to the party's cause. The recent news report on the dismissal of Zhu Yinghao [5969 5391 6275], former assistant secretary of the Kunming municipal party committee and standing vice mayor, taught us a profound lesson and should be earnestly summarized. Why was this rebel chief with serious problems during the "Cultural Revolution" not thoroughly investigated and

why was he permitted to enter the leading group during the organizational reform and receive an important appointment? Naturally, the reasons are many-sided, and there is a course of exposure and understanding, but we must realize that factional influence was one of the reasons. Some people feel that, persecuted and punished during the "classification and lineup" campaign, he was one of those who were "lined up incorrectly;" whereby they mistakenly thought that he had no problem during the "Cultural Revolution" and failed to investigate him thoroughly. The case calls for deep thought. In the work of promoting cadres and recommending the "third echelon," we must take a highly responsible attitude toward the party and the people, uphold the party spirit and guard against the least bit of factionalism.

Why are some rebel chiefs with serious mistakes so resourceful, with money, things and jobs at their disposal? It is because some few leading cadres are consciously or unconsciously influenced by factionalism and turn on the green light for them. We can thus see how dangerous factionalism is when combined with power! Factionalism combined with organizational and personnel powers is particularly dangerous. It may lead the seriously factious leading cadres to violate the principles of democratic centralism and skip grade in assigning personnel and organizing the leading group of a unit, in order to control the unit according to the factional viewpoint. Violating the organizational principles, some leading cadres privately recommend people for top jobs without undergoing organizational investigation and discussion. Some have even time and again recommended rebel chiefs with serious problems to leading organs and promoted them to high posts. The leading groups of some units fairly easily reach a consensus when discussing work, but consciously or unconsciously resort to factionalism when it comes to personnel issues, such as, considering the appointment and dismissal of cadres, readjusting the organ, making job transfers and grading, and fail to handle matters fairly according to the party spirit. Some few leaders came to power by factionalism. Once in power, they protect factionalism, shield factional acts and openly and secretly support factionalism. There are also those who, on the strength of their functions, combine factionalism with connections and unhealthy trends, and the consequences are even more serious.

Naturally, only a small number of leading cadres is seriously factious. Therefore, we must make a basic assessment, instead of feeling that "everyone has a share in factionalism." Nevertheless, the number of the seriously factious is the smallest, but their capabilities are rather great. As some comrades have not completely eliminated their sense of personal gratitude or resentment or their tendentiousness during the "Cultural Revolution," they easily land themselves blindly in factionalism. All these demand that we totally negate the "Cultural Revolution," raise our consciousness and, most importantly, thoroughly repudiate the two factional rebel organizations in our minds and feelings. These constitute the premise to the elimination of factionalism. In terms of the whole, both factions were incorrect, and there was no distinction of better or worse. However, the overwhelming majority of those joining the two factions were good or fairly good, and the bad people only constituted an extremely small minority.

We must make specific analyses of specific individuals and specific cases. This boundary must also be delineated.

The power of each and every leading cadre is granted by the party and the people, and he serves the people. Toward people and toward affairs, he must consider the interest of the party and the maximum interest of the people. He must be extra careful in the exercise of his power and never feel that he may casually wield it in his hands or abuse it. The very small number of leading cadres who feel that "once power is in my hands, I may act arbitrarily" must improve their awareness and mend their ways. They must never combine their power with factionalism and damage the cause of the party and the people. The practical expressions of factionalism are in all forms and of all types, and the most pernicious one today is factionalism combined with power. Reflected in the party style and economics, it inevitably leads to unhealthy trends and illegal and undisciplined acts; reflected in organization, it inevitably results in splits. We must not regard it casually.

The key to preventing the combination of factionalism with power is the earnest elimination of factionalism on the part of the leading cadres of the various levels. The comrades of key units must possess a higher party spirit and subscribe to no factionalism. The least bit of factional influence in the comrades of organization and personnel units, in particular, will lead to no end of troubles for the future. In line with the spirit of the party Central Committee's instructions, those who fail to investigate individuals who have indeed made serious mistakes must first be transferred from the key units, such as organization, personnel, politics and law, discipline inspection, and confidential work. The comrades of these units must demand strictly of themselves, enhance their party spirit, rectify their work style and earnestly eliminate factionalism. The seriously factious people must be educated. They must never be permitted to utilize their own power for factional acts. We believe that the majority of the comrades will and can live up to the party's and people's expectations.

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CSO: 4005/187

NORTH REGION

PINGSHAN COUNTY RECRUITS YOUNG PARTY MEMBERS

Beijing RENMIN RIBAO in Chinese 23 Oct 84 p 5

[Article by Investigation Group, Organization Department of Hebei Province:  
"An Army Full of Vitality in the Rural Areas"]

[Text] In order to alter the situation that party member ranks in the rural areas are getting older and older, the Pingshan county CPC committee in Hebei Province has attached importance to recruiting party members from among outstanding young peasants. From January through August this year, a total of 413 new party members have been admitted to the party which was more than the total number of new party members admitted to the party during the previous 2 years. As 80.4 percent of these newly recruited party members are under 35 years old, a change in the cultural and age structures of party members ranks in the rural areas has taken place.

Pingshan County was the old base while the party was being built in 1931. Early this year, in the process of the implementation of Document No 1 of the party Central Committee and the readjustment of party groups at the grass-roots level, the county party committee has begun to understand the serious situation that the party member ranks are getting old. In order to realize the goal of the "two transformations" so as to quadruple the economic output, it is necessary to break with the passive situation of the "old soldiers, old guns and old tactics" of the past. At present, the top priority is to emancipate the mind, to foster the concept of the new era in choosing the right person for the right job and to admit large numbers of outstanding youngsters into the party so as to build the basic level leading groups in the rural areas which are able to open up new prospects. The county party committee convened a special meeting in which it has renewed its efforts to study and work out plans for making readjustments of party branches in the rural areas and recruiting party members. It pointed out clearly that, the focal point of recruiting party members in the rural areas is to admit a large number of outstanding and educated youngsters from among members of the Communist Youth League and from key and professional households. Party committees at all levels have enthusiastically carried out their work. Li Yuanchao [2621 0337 2600], a young activist of Kangzhuang Village, started to operate a mechanized chicken farm early this year. Some people lodged false accusations against him saying that he had seized collective cultivated land. As a result, he was encountered with difficulties in joining the party. When county party committee secretary Gong Linting

[6300 2651 1656] heard of it, he went down to the village to ascertain the facts and patiently carried out ideological work among party members and cadres. Soon afterwards, Li Yuanchao was admitted into the party. Party members of Shuiyuhe Village had a lot of complaints about the party membership application of plantation professional household Wang Yuezu [3769 6460 4371]. They did not approve his application after several discussions. Some said that his ill-gotten wealth came from plantation and doing business. After being informed of this situation, Jiao Guowu [3542 0948 2976], the county magistrate, went to the hamlet many times together with the secretary of the village party committee to carry out heart-to-heart talks with party branch secretaries and party members. He gave publicity to the party's policy of making people richer and praised Wang Yuezu's advanced deeds such as thinking of the masses after becoming rich and enthusiastically providing everybody with improved varieties and passing on his technical skills. Consequently, ideological understanding of party members has been unified and they unanimously agree to admit Wang Yuezu into the party.

There are more than 10,000 old party members in Pingshan county. They have made important contributions in protracted struggles. The county party committee has aroused fully the enthusiasm of these veteran comrades to suggest ways and means for recruiting outstanding youngsters into the party.

Early this year, the county party committee invited veteran party branch secretaries and some of the veteran party members twice to introduce to them plans of the county for developing commodity production and organized them to visit other parts of the country. As a result, their sense of responsibility in doing a good job for the development of the party has been further strengthened. Many veteran comrades said with deep feeling: "In order to hand down the cause pioneered personally by the old generation, it is necessary to pay close attention to cultivating the new generation." Rong Guanxiu [2051 0385 4423], "mother of the people's own army" and a veteran party member who is 88 years old, regardless of her age and illness, spoke many times to young activists about the history of struggles and the fine tradition of the party to inspire their ideological awareness and enhance their understanding of the party. Huobingtai Village is the place where the first party branch was set up in the whole province. With the help of veteran party members, 20 youngsters applied for party membership recently and 18 youngsters have been listed as major targets for receiving training.

The county party committee, in accordance with the peculiarities of the youngsters, has adopted such methods as short-term training classes and special courses to educate the masses of youngsters in the basic knowledge of the party. Youngsters have also been organized to visit Xibobo, a sacred place of the Chinese revolution and to carry out such activities as learning from the tradition, visiting the older generation and fostering a new workstyle to enable the young activists to grow rapidly. More than 8,000 League members and youngsters throughout the county have submitted their applications for party membership. An activist group composed of more than 5,000 persons have now been formed through cultivation and investigation and 413 of whom have the honor of being admitted to various party organizations.

After being admitted into the party, these outstanding youngsters are full of vigor and vitality and are courageous in exploitation so that new energy has been added to various kinds of work of the party. A total of 62 persons of them have been selected to be secretaries and deputy secretaries of the basic level party branches, 46 to be directors of villagers commissions and 187 to be leaders of League branches, Woman's Federations and militia companies. An encouraging change has also taken place in age and cultural structures of party branch members in the rural areas. In the past, Beibailou has been a village with serious and long-standing problems. In order to resolve such serious problems of the village as seizing cultivated land recklessly for building houses, felling trees indiscreetly and leaving accounts in a mess, a working group of the county party committee visited this village five times. However, some of the problems still have not been brought to a solution once and for all. In April this year, Fu Yuegi [0265 6460 2475], a young party member who is 25 years old, took up the post as party branch secretary and Lu Sufang [5684 4790 2455], a probationary party member who is 28 years old, assumed the post as director of the villagers commission. They immersed themselves among the masses and carried out their work boldly and resolutely. With the support of the leadership of the county party committee and veteran cadres of the village, they have quickly checked the evil trends such as seizing cultivated land and enclosing a piece of land for building houses. At the same time, land has been allocated to 46 persons who were encountered with housing difficulties. Within 1 month after the new group taking office, they have recalled more than 17,000 yuan of the retained fund of the collective which was overdue. During summer harvest this year, they spent only 2 days time to fulfill state purchase quotas and make up more than 20,000 jin of grain purchases of the state of the past few years. In order to develop commodity production, two light sparkling wine plants were set up. They also built a brickkiln and purchased two automobiles to transport goods and materials. In a period of only 6 months, the face of the village has changed greatly. After assuming the post as director of the villagers commission of Shiziping Village, probationary party member Liu Qihan [0491 0796 3352] led the masses to drill wells, repair water towers and build pumping stations to resolve the difficulty of the past because for years people here had to climb over a slope and bring back water on a shoulder pole from 2 li away. The masses are happy to say: "After these youngsters coming to power, they can handle important matters. As they are all of one mind to serve the masses, the realization of the four modernizations is full of promise.

9560  
CSO: 4005/155

NORTH REGION

INFLUENCE OF CULTURAL REVOLUTION ANALYZED

Beijing RENMIN RIBAO in Chinese 24 Sep 84 p 5

[Article: "Xingtai Prefectural Party Committee Analyzes Pernicious Influence of the Cultural Revolution"]

[Text] The Xingtai prefectural party committee, Hebei Province, in contacting the reality of the influence of the Cultural Revolution, stated clearly its manifestations, discussed its dangers, and exposed its roots, which caused everyone to raise their consciousness toward thoroughly negating the Cultural Revolution.

In mid-August, the Xingtai prefectural party committee convened a meeting of the party committee to expose the influence of the Cultural Revolution, where they determined that its most obvious manifestations are:

1. The phenomena of factionalism and faction-building still exist. Factionalist activity is fairly serious in some units. Some of them decide merits and faults on the job on a factional basis and handle problems on the basis of factions. The brand of factionalism is even more obvious in the area of personnel use. Yin Xingkui [1436 5281 1145], the leader of a rebellious faction in Neiqiu County during the Cultural Revolution, was made head of the organizational department and deputy secretary of the county party committee. He selected cadres on a factional basis and the cadres he chose also engaged in factionalism.

2. Making false accusations still flourishes in some localities. Some people under the influence of "great democracy" create fabrications, exaggerate criticism, falsely accuse fine people and disturb people's tranquillity. These experts in false accusations concentrate on taking advantage of promotions, transfers, admissions to the party, raises in rank and criticism of models to lodge false accusations. They do their evil deeds while smugly saying, "Not allowing people to put up big-character posters cannot prevent them from sticking on a stamp. But since a single stamp costs 8 fen, you say you have suffered oppression for a good many years."

3. Starting rumors still occurs occasionally. Some people carry on the Cultural Revolution formula of spreading hearsay and news off the street and fabricating rumors, which harms other people, hoodwinks the masses and disrupts work.

After exposing it, the Xingtai prefectoral party committee determined that the failure to check the influence of the Cultural Revolution was very serious and the failure to thoroughly negate the Cultural Revolution was disastrous. Failure to check the influence of the Cultural Revolution is just like not daring to pawn something for fear of the receipt. People are afraid to stir up trouble, to make reports and to be dismissed from office, and the more they fear, the greater the influence of the Cultural Revolution. The Xingtai prefectoral party committee resolved to straighten up and to take checking the influence of the Cultural Revolution as the starting point for thoroughly negating the Cultural Revolution.

The prefectoral party committee immediately convened a meeting of the county party committee's secretaries and came up with a concrete plan to develop education on thoroughly negating the Cultural Revolution throughout the prefecture. First, mobilize the cadres and masses for a concentrated period of time, to deal with actual instances of the influence of the Cultural Revolution in their own units and departments, state clearly its manifestations, expose its roots, discuss its dangers and further raise consciousness toward thoroughly negating the Cultural Revolution. Second, get a firm grip on the influence of the Cultural Revolution, straighten up and boldly deal with a group of typical cases of false accusations against fine people and factional activities. Third, pay attention to investigating "the three types of people."

12534  
CSO: 4005/057

## NORTH REGION

### NONPARTY CADRES IN LEADING POSTS INCREASED

Beijing RENMIN RIBAO in Chinese 23 Sep 84 p 4

[Article by Yao Huai [6008 2037] and Han Jianguo [7281 1696 0948]: "Over 1,000 Nonparty Cadres Take Up Leading Posts in Shanxi's Jinzhong Prefecture"]

[Text] Since last year, Shanxi's Jinzhong Prefecture has emancipated its thinking, broadened its field of vision and broken the mold to appoint capable people in recommending a large group of nonparty cadres who fit the standards of the four modernizations for appointment to leading posts at every level. According to incomplete statistics from the prefecture and 11 counties and cities, there are now 1,220 nonparty cadres holding leading posts at the township level and above, among whom, 52 hold posts at the county level and above.

In the past, due to the ideological influence and hampering of "leftism," Jinzhong Prefecture maintained a tendency toward a closed-door policy on the question of cadre employment, and when they selected cadres, they chose only party members. A large group of bold, educated nonparty cadres with specialized knowledge and management skills were not given important positions. During the organizational reform, party organizations at every level stemmed up the lessons of experience with the employment of nonparty cadres since the founding of the PRC, and they deemed some important concerns of organizational reform to be having party and nonparty people work together and arranging to put nonparty cadres who meet the standards of the four modernizations into office. This caused a clear-cut change for the better in the cadre situation.

Jinzhong Prefecture had to do four things to deal with the nonparty cadres who had been promoted: the first was to trust them politically. For the most part, they worked out a system for nonparty leading cadres to be able to read the documents and attend the necessary meetings. The second was supporting them on the job, and allowing the nonparty cadres to have real duties, authority and responsibility. For example, after Dixian forestry engineer Cheng Naipu [2052 0035 2613], who is not a party member, was appointed deputy head of county this year, he was not very bold when he started the job, so Comrade Cao Zhenzheng [2580 2182 5116], the party member head of county, took the initiative to have several heart-to-heart talks with Cheng Naipu, and supported him in working boldly, which allowed Cheng Naipu

to dispel his unnecessary misgivings. The third was having concern for their living situation. Quite a few units gave priority as much as possible to resolving nonparty cadres' difficulties, such as housing. The fourth was establishing a system for training and assessment. In order to work together with nonparty cadres for truly long-term periods, quite a few counties came up with plans for training nonparty cadres, to facilitate the continuous promotion of outstanding nonparty cadres.

12534  
CSO: 4005/057

NORTH REGION

CADRE MANAGEMENT REFORMS ANNOUNCED

Beijing, RENMIN RIBAO in Chinese 23 Sep 84 p 4

[Article by Wang Gengnan [3769 1649 0589]: "Hengshui Prefecture Vigorously Reforms Cadre Personnel System"]

[Text] Reporter Wang Gengnan reports that Hengshui Prefecture, Hebei Province, has taken the transferring of cadres to lower management jurisdictions level by level as a starting point for reforming the cadre personnel management system. They have arrived at where managers know where their subordinates will work best, discovered and selected a group of "path-breaking" cadres and relieved ineffective cadres of their posts. Now the ranks of cadres throughout the prefecture are brimming with vigor, imbued with vitality and full of pioneering spirit.

In the past, the cadre management channels in Hengshui Prefecture were not clear and there were too many administrative levels. The next higher level could only oversee the cadres through curriculum vitae forms and written materials, while those who really understood the cadres' "living files" had no authority to choose or approve cadres, which created the "two skins" phenomenon of personnel management units and personnel selection units.

To make the cadre management system fit the needs of the four modernizations. Hengshui Prefecture transferred cadres to lower management jurisdictions level by level to carry out management by level and by organ. The prefecture managed only the principal posts among city and county level cadres. Propaganda, political and legal affairs, administrative offices of provincial party organizations and the finance commission were put under the principal duties of middle level cadres. The 1,481 original prefectoral management cadres were reduced to 473. The remaining 1,008 were transferred to manage at the next lower level. Dividing management into two levels created the conditions for good, vigorous management.

After the organizational reform, and the new leading bodies of the prefectoral party committee took office, they declared clearly to the masses that the leading cadres of the party committee would not be involved in the "lifetime post system." They would work continuously and then leave office, and not try to regain their old posts later, but arrange for other work. One deputy

head of county appointed last year, who lacked the pathbreaking spirit, and four other cadres at the prefectural jurisdiction bureau level, did not retain the salaries of their former posts after they had been transferred out. Two factory directors who failed to make up deficits within the time limit were dismissed from their posts on the spot. In this way, channels have been cleared and are flowing freely and a group of "pathbreaking" cadres have emerged. Yang Hongtao [2799 3163 3447], age 39, who was assigned to work in the prefectural party committee organization after graduating from college, was promoted to deputy secretary of the Zaoqiang County party committee in September of last year. His thinking is emancipated, he understands economics, he has original ideas and before he had served a year in office, he had negotiated three agreements for joint funding and management with foreign merchants. The Hengshui prefectural party committee also implemented an appointment contract system, to encourage the rational circulation of personnel. They chose 569 outstanding young people, age 35 and under, from the peasantry and appointed them township and town cadres. Moreover, 123 peasants and workers were appointed "contract cadres" in prefectural and county organizations. More than 10 peasants and contract workers were appointed factory directors in county-run and collective enterprises. The prefecture has further stipulated that the wages of all graduates of college or technical secondary school working in township and town enterprises should float up to the next level and that they become regular workers half a year ahead of time. There are already more than 30 college graduates working of their own free will in township and town enterprises throughout the prefecture.

12534  
CSO: 4005/057

## NORTH REGION

### PROMOTION OF REFORMERS URGED

Shijiazhuang HEBEI RIBAO in Chinese 18 May 84 p 1

[Article: "Provincial CPC Committee Organization Department Issues Circular To Promote Cadres Who Dare To Reform to Leading Posts"]

[Text] Recently, the provincial CPC committee organization department issued a circular to all localities which requires that a large group of pathbreaking cadres, who have both ability and political integrity and who dare to reform, be resolutely promoted to leading posts at all levels without delay.

The circular points out that being able to resolutely select reformers to hold leading posts is of major importance with regard to the success of all reforms and the cause of the socialist modernization drive and it serves as an important indicator of the quality of work by the personnel affairs organization departments. On this crucial question, we must have a certain sense of mission and urgency.

The circular requires that we review the organizational reforms and investigate how we have been doing in selecting reformers to hold leading posts, what the discrepancies and problems are, and how we can make improvements. Have the reformers who have emerged on every front of endeavor been resolutely selected, staunchly supported and boldly employed? After the investigation, we should formulate a plan, adopt measures, create the conditions, seize the opportunities and resolutely promote to leading posts without delay a large group of pathbreaking cadres who have both ability and political integrity and who dare to reform.

The circular requires that we continue to deal firmly with satisfactory readjustment of mining industry and agricultural basic level leading bodies, in accord with the guiding ideology of selecting reformers to hold leading posts. After the mining industry underwent reorganization, although the leading bodies made rather large readjustments, much was still not ideal. In particular, quite a few units had only one or two people who were good at their jobs, their members were too old and they lacked cultural or scientific knowledge; this problem was more pronounced in the agricultural basic level leading bodies, where they were far from meeting the new circumstances in developing commodity production. We should resolutely promote outstanding young and middle-aged cadres who are bold and educated and who are capable of creating a new situation. In providing for the agricultural basic level leading bodies, the

conditions of the "four modernizations" should be maintained at the same time and a great deal of attention should be paid to selecting promising, young, good quality, outstanding qualified personnel who dare to think and act and who are educated and have management skills for the leading bodies.

The circular points out that organization departments on all levels must recognize that the so-called reinstatement of people of a new type actually means that self-educated intellectuals should be among those chosen to serve. While investigating the overall situation in terms of implementing the policy on intellectuals, we must never engage in superficial writing or be careless and perfunctory, but should certainly resolve the practical problems in a down-to-earth manner. We should be skillful in dealing with typical cases of good and bad and, in particular, we should dare to make readjustments of those leading cadres who feign compliance and fail to deal with the policy on intellectuals, in order to promote the comprehensive implementation of the policy on intellectuals.

The circular requires of organization departments on all levels that they recognize and analyze if any manifestations of "leftist" influence exist in their practical work. Are there any old habitual methods among the cadres selected that do not fit with the new circumstances? What discrepancies are there in providing the leading bodies on the basis of the needs of the "four modernizations and ba men [0360 7024]"? We should improve the old habits and old methods of the cadres selected, renovate their thinking and workstyle, get involved in understanding the situation on the front line of reform practice and discover qualified personnel. Only in this way can we really make clear the viewpoint and standards for employing people in this new period and effectively uncover and select many more outstanding personnel and prevent the selection of people with limited ability who try never to offend anybody or even "the three types of people."

12534  
CSO: 4005/676

NORTH REGION

PARTY RECTIFICATION IN HEBEI REVIEWED

Shijiazhuang HEBEI RIBAO in Chinese 17 May 84 p 1

[Article by Hebei People's Broadcasting Station reporter He Shihong [0149 1102 1347] and staff reporter Xue Luying [5641 4389 5391]: "Provincial Government Leading Party Group Reviews Party Rectification Status"]

[Text] This afternoon, the Hebei Provincial People's Government leading party group reviewed 3 areas of party rectification.

Provincial CPC committee secretary and provincial people's government leading party group secretary Zhang Shuguang [1728 2562 0342] chaired the meeting and gave a speech. Provincial CPC committee standing committee member and provincial people's government leading party group deputy secretary Li Feng [2621 6912] represented the provincial people's government leading party group for the review of the party rectification status. Over 400 people attended the meeting, including bureau directors, advisers and inspectors, as well as former bureau directors, in the provincial people's government system. Comrades from the Central Commission for Guiding Party Rectification Hebei Province liaison group also attended the meeting.

Based on the requirements by the provincial CPC committee that the review of party rectification status be handled well, the provincial people's government leading party group focused closely on the core of changes for all party work brought out by the Third Plenum of the 11th CPC Central Committee, which were upheld unanimously by the central authorities, as well as on the general goals and tasks formulated by the 12th Party Congress of the CPC, adopted the methods of study and discussion, rectification during reform and integrating top to bottom, reviewed and synthesized the work of the people's government leading bodies since their readjustment, focused an investigation on the main problems in economic work, analyzed the reasons present in the problems, and further clarified the new situation in guiding ideology and work policies and the important measures adopted in the work of the government, which was created under the new circumstances. Lastly, in his speech, Comrade Zhang Shuguang stressed the major significance of the slogan, "time is money and efficiency is life," which requires that everyone dare to reform and have a sense of urgency about it. He also pointed out that the leaders of the provincial people's government should try to delegate more responsibility and exercise less strict control, "loosening authority and untying people," to permit the provincial bureaus to play their roles fully. By working hard for the last 7 months or so of this year, breakthrough progress can be made in every area of work.

NORTH REGION

PARTY RECTIFICATION REVIEW REPORTED

Shijiazhuang HEBEI RIBAO in Chinese 13 May 84 p 1

[Article by Hebei People's Broadcasting Station reporter He Shihong [0149 1102 1347] and staff reporter Xue Luying [5641 4389 5391]: "Gao Yang [7449 2254] Reviews Party Rectification Status On Behalf of the Provincial CPC Committee"]

[Text] Staff report: On the afternoon of 11 May, provincial CPC committee First Secretary Gao Yang made a comparison and evaluation on behalf of the provincial CPC committee.

Provincial CPC committee secretary Xing Chongzhi [6717 1504 2535] chaired the meeting; and 550 people attended the meeting, including responsible comrades from the provincial CPC committee, the provincial advisory commission preparatory group, the provincial People's Congress standing committee, the provincial people's government, the provincial CPPCC, as well as party chiefs and deputies from units at the bureau level and above under the jurisdiction of the province, party advisors and inspectors from units at the bureau level and above and former bureau level party cadres who had not found other work or had arranged for work at the department level and responsible cadres from locality and city CPC committees. Comrades from the Central Commission for Guiding Party Rectification Hebei Province liaison group also attended the meeting.

Since the start of the party rectification, the provincial CPC committee standing committee has carried out an investigation on every front of endeavor with regard to provincial CPC committee work since July of 1982, based on study of party rectification documents, and solicited opinions on every aspect from within and without the party. After much discussion and revision, the standing committee created the "Investigation of Work Over the Last 2 Years by the Provincial CPC Committee." This investigation upheld seeking truth from facts and reforming to bring forth new ideas. The investigation stressed carrying out the line, principles and policies of the Third Plenum of the 11th CPC Central Committee and the 12th Party Congress and building the ranks of the cadres, as well as problems of workstyle.

12534  
CSO: 4005/676

NORTH REGION

TIANJIN SURVEYS ATTITUDES OF ELDERLY PEOPLE

OW270820 Beijing XINHUA in English 0754 GMT 27 Dec 84

[Text] Tianjin, 27 Dec (XINHUA)--Three hundred sixty-three aged people out of 1,076 surveyed in Tianjin hope to do more for society, as they feel they are still able to work.

This was a finding of a survey on "how do you feel as you get old?" made by the Tianjin Municipal People's Government, the Academy of Social Sciences in Tianjin and the Tianjin committee on aging.

One hundred eighty one respondents wish to live longer, and 406 say that they do household chores to help.

The investigations, conducted in June this year, covered some 400 topics related to position in the family, relations with their children, health condition, social activities, wishes and demands, problems, etc.

The survey was carried out among men over 60 years old and women over 55. Among them, 48.37 percent are workers and the others are cadres, intellectuals and workers in the commerce and trade fields, or non-working persons.

According to the Chinese constitution, children have the duty to support and assist their parents, and retired workers receive 75-80 percent of their original wages; senior retired military and government personnel get full pay.

Among the respondents, 70 percent live with their children and grandchildren, and 71.61 of them find that they are respected by their family members; only 1.98 say that they are not.

Some 85.4 percent of the aged have the right to decide economic affairs and family problems, and are consulted in their children's marriages.

On the question of wishes and demands, one-third of them wish themselves healthier, one-third wish to improve their living conditions and daily diet and 16 percent wish to live a much happier family life. Their common desire is that more services for elderly people should be developed.

Tianjin has 700,000 people aged over 60, accounting for 8.94 percent of the total municipal population.

CSO: 4000/71

NORTHWEST REGION

INTELLECTUALS ENCOURAGED TO EXPRESS THEMSELVES

Yinchuan NINGXIA RIBAO in Chinese 18 Oct 84 p 4

[Article by Wan Jun (3762 0193): "Encourage the Intellectuals to Speak Out"]

[Text] Recently, the leaders of the party Central Committee proposed: We must encourage the intellectuals in natural and social sciences to express their views and permit them to voice dissents. The leaders must listen earnestly and choose and follow what is good. We must permit them to say incorrect things, and there must be no labels and big sticks.

These words are excellent! They represent a valuable experience gained in more than 3 decades of practice. Under the "leftwing" ideological guidance in the past, people were often punished for saying the wrong things and, even when they said the right things, they could also be punished because their words did not suit the taste of certain leaders. After the fall of the "gang of four," especially after the 3d Plenary Session of the 11th party Central Committee, the situation has greatly changed. However, the pernicious "Leftist" ideological influence has not been totally purged. Some intellectuals not only receive no support for their opinions, but are criticized or even attacked. Thus, they are afraid to express themselves. For this reason, the party Central Committee's proposal to encourage the intellectuals to express themselves boldly is completely correct and necessary.

To implement the policy successfully, the most crucial matter is to continue to overcome the "leftist" ideology, change the "Leftist" practice, and correctly treat, in practical actions, the opinions expressed by the intellectuals. Concretely speaking, we must accomplish the following three points.

1. We must permit and encourage the intellectuals to express dissenting views. Encouraging them to speak out does not mean that they should echo the words of others; it means that they should courageously speak their own minds.
2. We must permit the intellectuals to talk nonsense. It is an important aspect in activating their enthusiasm and encouraging them to express their

opinions. There is no one in the world who has not said the wrong things. Those who consciously or unconsciously forbid others to say the wrong things have no way not to say wrong things themselves. Forbidding people to say the wrong things and seizing on them the moment they do so will only stop them from talking. Once they stop talking, it will be impossible for the correct opinions and good suggestions to emerge. How will it benefit the socialist construction? Permitting people to say the wrong things does not mean encouraging them to do so; it means encouraging them to speak out. Only when the intellectuals speak out courageously will we hear their useful opinions.

3. We must choose and follow what is good. From choosing and punishing the incorrect to choosing and following the good is a momentous change in leadership thinking. When we "choose and follow what is good," there is no worry that the intellectuals will not express their opinions! In terms of a leader with advanced skills, he can also find useful things in the opinions which appear to be incorrect.

Though the party Central Committee's policy discussed above was directed at the intellectuals, I feel that it is equally applicable to the broad masses of cadres and people. As long as we earnestly implement it, more and more people will have the courage to express themselves, their thinking will be activated in an unprecedented manner, and our socialist motherland will prosper more.

6080  
CSO: 4005/187

## MILITARY AND PUBLIC SECURITY AFFAIRS

### AIR DIVISION CONDUCTS DEFENSE TRAINING

Wuhan HUBEI RIBAO in Chinese 25 Aug 84 p 1

[Report by correspondent Tai Shoucheng [3141 1343 2052]: "A Certain Air Division Conducts Antijamming, Anti-Air Raid Operational Exercises"]

[Text] On the evening of 6 August, a group of "enemy" bombers, carrying strong electronic jamming equipment, made use of the tactical measures of the darkness of night, low-altitude small formations, approaches from many directions, and strong electronic jamming, to conduct a large-scale strategic air raid on important targets in the Wuhan area. Our fighters air arm, under conditions in which the ground and airfield "eyes" were seriously impeded, received the order to swiftly take off and to intercept and attack; at one blow they "completely destroyed" the attacking "enemy aircraft" so that Wuhan escaped unscathed. A certain fighter division obtained success in its first special-topic exercise on carrying out an antijamming, anti-air raid operation at night.

For the air units of the Air Force, special-topic training in an anti-air raid operation under conditions of electronic jamming at night is a new topic. The fighter air division, after receiving its mission during the last third of July, made careful preparations and conducted arduous training, and came up with a set of operational methods. Under circumstances in which the "enemy aircraft" effected strong electronic jamming, our pilots made accurate judgments, searched and discovered swiftly, tracked and sighted swiftly, and entered and left the operational zone swiftly, all of them obtaining the good mark of hitting the "enemy aircraft" with the first round.

During the drills, the officers and men of the units taking part braved the intense heat of summer and fought in high temperatures, displaying the combat work style of having a fearless spirit and being well trained, not fearing hardships and difficulties and not fearing bloody sacrifices.

9727  
CSO: 4005/005

## MILITARY AND PUBLIC SECURITY AFFAIRS

### XIZANG PLA MEETING ON DEFENSE CONSTRUCTION, TELECOMMUNICATIONS

HK190456 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Dec 84

[Excerpts] The Xizang Military District meeting on commending the advanced in border defense construction and the Xizang Military District meeting on telecommunications work ended victoriously in Lhasa on 16 December.

By summing up experiences and setting example, the two meetings commended advanced units and individuals of the region's PLA units in border defense construction and telecommunications work in 1984, thus bringing into full play all positive factors and creating a new situation in border defense construction and telecommunications work.

Present were leading comrades of the military district (Jiang Hongquan), Wang Xinqian, (Chen Tianzhang), (Liu Yanchang), (Lu Chen), (Ke Diqian), and (Gao Changding); Ma Dexue, (Zhang Jun), (Han Wurong), advisers to the military district; and responsible comrades of the headquarters and Political and Logistics Departments of the military district.

Also attending the meeting were (Li Yuanyuan), deputy director of the Barracks Department of the Chengdu Military Region's Logistics Department; and (Hu Chengzhen), deputy director of the Telecommunications Department of the Chengdu Military Region Headquarters.

At the meeting (Liu Yongkang), deputy commander of the Xizang Military District, read the citation issued by the PLA Xizang Military District on citing advanced units and individuals of the region in border defense construction for 1984.

The citation reads: [Begin recording] In border defense construction for 1984, PLA units in the region have earnestly implemented the party's instructions, carried forward the spirit of fighting heroically and arduously, and successfully fulfilled the original plan, thus making contributions to changing the face of the Xizang Military District and consolidating national defense. In order to [words indistinct], the military district has decided to cite 129 units and 65 comrades. [end recording]

The citation reads in conclusion: [Begin recording] [words indistinct] Advanced units and individuals must be modest and prudent, add to their achievements, maintain honor, and make new contributions to border defense construction in 1985. All [words indistinct] and advanced units and individuals in PLA units of the region, including [word indistinct] must treat hardship as honor and happiness, units as one, and fight for the fulfillment

of the tasks for border defense construction, for defending the border areas, for consolidating national defense, and for building a new socialist Xizang which is united, prosperous and civilized. [end recording]

At the meeting (Chen Dongguang), deputy commander of the Xizang Military District, read a citation citing advanced units and individuals in telecommunications work.

The citation reads: [Begin recording] [passage indistinct] The military district decided to cite 45 advanced units and 75 advanced comrades in telecommunications work. [end recording]

The citation reads in conclusion: It is hoped that the above-mentioned units and individuals will be modest and prudent, guard against arrogance and rashness, add to their achievements, march forward continuously, and make contributions to creating a new situation in the region's telecommunications work.

At the meeting Wang Xinqian, political commissar of the Xizang Military District, delivered an important speech.

He said: [Begin recording] Comrade, the Xiang Military District meeting on border defense construction and the Xizang Military District meeting on telecommunications work began on 13 December and ended today, lasting 4 days. The two meetings earnestly summed up and exchanged experiences, commended a number of advanced units and individuals, further defined next year's tasks, unified our thinking, [words indistinct], and strengthened our confidence in fulfilling the tasks. Both meetings were a success and achieved the expected results. [end recording]

In order to further implement the spirit of the meeting, Political Commissar Wang Xinqian spoke mainly on the following five questions in his speech:

1. Firmly grasp the two prime issues, namely, party rectification and reform, and promote border defense construction and telecommunications work.
2. By carrying out party rectification and reform, attain a still higher goal in all work next year.
3. It is necessary to widely establish and perfect the post responsibility system. Cadres of all units, at all levels, and of all trades must earnestly implement the system.
4. It is necessary to have a strategic view of paying attention to the overall situation, and vigorously cultivate dual-purpose talented people in the army.
5. Make military pledges to define next year's targets and create more units of [words indistinct].

The meeting ended amid warm applause.

CSO: 4005/263

## MILITARY AND PUBLIC SECURITY AFFAIRS

### CHENGDU PLA NOTICE ON NEW YEAR SOLIDARITY DRIVE

HK140201 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 13 Dec 84

[Excerpts] The political department of Chengdu Military Region has issued a circular on launching a drive to support the government and cherish the people during the new year-spring festival period in 1985. The circular makes the following demands on the units throughout the military region:

1. Study and implement the spirit of the 3d Plenary Session of the 12th Central Committee and the forum of the Central Military Commission, and have a clear idea of the tasks and importance of supporting the government and cherishing the people in the new situation. In connection with local and their own realities, the units must seriously study the central decision on reform of the economic structure, the spirit of the Central Military Commission forum, and the spirit of the August national congress of advanced figures and units in two-support work, actively support state economic construction and local reforms of the economic structure, and contribute to establishing and developing new-style army-government and army-people relations.
2. Launch extensive activities to support the government and cherish the people during the new year-spring festival period, with the focus on joint army-people efforts to build the two civilizations. It is necessary to carry out extensive publicity for the central decision on reforms of the economic structure. Units that have established ties with urban factories, mines, enterprises, and undertakings for the purpose of jointly building the two civilizations with them must take the initiative to get to know the arrangements of local governments and their link units for carrying out economic construction and reforms of the structure, and map out plans for joint building of the two civilizations in light of their realities. Units stationed in the rural areas should help the places with which they are linked for jointly building the two civilizations to consolidate and develop the production responsibility system, and support the masses in developing commodity production. The PLA units should also help the masses to learn culture, science, and specialized technical knowledge, provide economic information, promote diversification, and develop more ways for getting rich. They should support the dependents of martyrs and servicemen, five-guarantee households, households in difficulties, and specialized households to get rich through hard work.

3. Carry out an inspection of policies and discipline, and properly handle problems left over from the cultural revolution. The units must send mass discipline inspection groups to check on the implementation of policies and discipline in the units. They must humbly listen to the views of the local masses on the PLA units, and deal seriously with existing problems.
4. Lay stress on practical results, pay attention to economizing, and make a success of comfort visits and get-togethers during the festivals.

CSO: 4005/263

## MILITARY AND PUBLIC SECURITY AFFAIRS

### NANJING MILITARY REGION HOLDS MILITIA WORK MEETING

OW190205 Hangzhou ZHEJIANG RIBAO in Chinese 8 Dec 84 p 1

[Text] The Nanjing Military Region held a field meeting in Shengxian County from 4 to 7 December to sum up and exchange the experiences of people's armed forces departments in promoting regularization.

The representatives of the people's armed forces departments in Zhejiang's Shengxian and Ruichang counties introduced their experience at the meeting. The representatives of various units were full of enthusiasm when they visited the barracks, army training base, and Zhongai Township--a civilized unit built by the Army and the Government in Shengxian County. They also saw a live firing practice by cadres of the people's armed forces department, with all types of weapons used by militiamen throughout the county.

Wang Fang, secretary of the Zhejiang Provincial CPC Committee, and first political commissar of the provincial military district, and Governor Xue Ju wrote greeting letters to the field meeting. In their letters, they expressed confidence that the meeting would promote the building of the units of the provincial military district and various militia units to cope with the development of the new situation, and meet strategic needs.

Tang Shudi, deputy commander of the Nanjing Military Region, spoke. He asked various units to conscientiously learn from the experience of the Shengxian County People's Armed Forces Department, meet the demands of the new situation and modern war, following the streamlining and reorganization of various units, and effectively grasp the regularization of various people's armed forces departments, by centering on strengthening the reserve forces and increasing the capability for prompt mobilization.

Fan Zhilun, deputy chief of staff of the Nanjing Military Region, gave a brief summing-up. Kang Mingcai, commander of the Zhejiang Provincial Military District, also spoke.

CSO: 4005/263

## MILITARY AND PUBLIC SECURITY AFFAIRS

### HUBEI MILITARY COMMANDER WRITES INVESTIGATIVE REPORT

Wuhan HUBEI RIBAO in Chinese 17 Aug 84 p 1

[Report by correspondent Zhao Falong [6392 4099 1545] et al.: "Getting Deeply Involved in Reality, Investigating and Studying, and Making Suggestions"]

[Text] Not long ago, Wang hengyi [3769 1854 0001], commander of the provincial military district, transmitted to the responsible member of the provincial party committee an investigative report, in which, thoroughly implementing the spirit of party Central Committee Document No 1 and the spirit of Comrade Ju Thobang's speech at Ezhi Autonomous Prefecture, he made suggestions for accelerating the pace of building Ezhi's economy.

During the period that Commander Wang was examining the situation with respect to the work of armed forces cadres in Ezhi, he managed to find time to go to the mountain village of the Tujia and Miao nationalities, where he visited various kinds of specialized households, and looked around grasslands, forestry centers, and small hydroelectric stations in the high mountains; he also had conversations with the leading comrades of the counties he went to, grasped many situations, and formed some views. He personally wrote an investigative report, not letting the personnel accompanying him do the work for him.

Through his investigation Wang Hengyi concluded that, in the self-government of the autonomous prefecture, in the political aspect each nationality, without exemption, has equal rights, and in the cultural aspect they have the right to open universities and develop scientific and cultural education, but what is insufficient is their economic rights. Based on the circumstances he investigated, he made some specific suggestions as to how the autonomous prefecture, under the premise of taking into consideration the interests of the entire country, could develop its economy.

Guan Guangfu [7070 1694 1381], secretary of the provincial party committee, thought Wang Hengyi's investigation was very good, and he had written comments on the report duplicated and distributed to the standing committee of the provincial party committee and each large unit, drawing everybody's attention to the study of how to create conditions for self-government in the autonomous prefecture so that Ezhi will be built into a highly advanced

autonomous prefecture. The leading comrades of the Wuhan Military Region commended Wang Hengyi for "being concerned about and supporting local economic construction, and studying the new approach of launching militia and reserve work centering on economic construction--a guiding ideology and work method that is good and should be advocated."

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CSO: 4005/005

MILITARY AND PUBLIC SECURITY AFFAIRS

BRIEFS

SHANDONG AIRFIELD--A certain PLA Air Force unit helping the Shengli Oil Field in Shandong build an airfield has completed the earth and stone work ahead of time, laying a foundation for the airfield to begin operations on 1 October next year. After completion, the 5,000-mu airfield will operate medium-sized aircraft. Beginning in early October this year, this Air Force unit has filled the low-lying wasteland with 500,000 cubic meters of earth. [Summary] [Beijing XINHUA Domestic Service in Chinese 0822 GMT 18 Dec 84]

MODEL SURGEON COMMENDED--The PLA Navy held a meeting in Qingdao City on 20 December to confer a title on a model military surgeon, (Cheng Guoliang), deputy director of the No 401 hospital under the North China Sea Fleet, who scored marked achievements in boldly scaling heights of medical technology. He was presented with a second-class medal for heroism, a certificate and citation, and prizes. Attending the meeting were deputy commanders, including Nie Kuiju and Deng Zhaoxiang; and the leading comrades of the PLA Navy Political Department, the PLA Navy Logistics Department, and of the North China Sea Fleet. (Su Jun), deputy commander of the North China Sea Fleet, read the decision adopted by the fleet party committee on learning from Comrade (Cheng Guoliang). [Excerpts] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Dec 84]

CSO: 4005/263

TAIWAN RADIO ON ARKHIPOV'S VISIT TO MAINLAND

OW290417 Taipei International Service in English 0100 GMT 25 Dec 84

[Station commentary]

[Text] Soviet First Deputy Premier [as heard] Ivan Arkhipov flew to Peking last Friday for Moscow's highest-level mission to its exchange communist partner in 15 years. Speculations are bound to rise regarding the nature of his talks with the Chinese Communist heads during his stay in Peking. The general purpose of Arkhipov's errand to Red China is well-known. In the last couple of years, the two communist powers have made noticeable progress in their efforts to relax tensions and establish more normal relations. The announcement of Arkhipov's trip to Red China was announced last February in the wake of such progress. This is an apparent move on both sides to move the bilateral talks to a higher level. In early May, Moscow suddenly put off Arkhipov's planned visit indefinitely, obviously to show its displeasure over the warm reception Peking accorded President Ronald Reagan in the previous month. However, the desire to mend the fences did not disappear on either side. It is interesting to note that the two former allies have exchanged group visits for over 30 times since their normalization talks began, and their mutual trade has expanded greatly. Peking has also resumed Russian language teaching in most schools, and are sending more students to the Soviet Union for advance study. Undoubtedly Arkhipov's forthcoming discussions with the Chinese Communist leadership will center on similar exchanges and efforts to broaden contacts in the future.

Needless to say, the Soviet First Deputy Premier and his hosts in Peking will also touch on the basic issues that made the two communist regimes go separate ways. But, chances are small that they can make headway on these issues. First, a new ideological dispute has arisen between Peking and Moscow. In the past, the communist regime challenged the Soviets ideologically by trying to be more leftist than their mentor. Now, Peking is again telling Moscow's ideological leadership by departing from orthodox Marxism-Leninism. The ideological split may not be discussed between the two sides, but is certainly a negative factor in their efforts to patch up. Second, Red China has stressed independent foreign policy, refusing to become a formal ally of either superpower. In practice, however, Peking is tied more toward the United States than the Soviet Union for the obvious reason that America has more to offer than the Soviets. Third, Peking still insists on the solution of the three basic problems; namely, Soviet troop deployment in the Sino-Soviet border, Soviet occupation of Afghanistan, and Moscow's support for the Vietnamese occupation

of Cambodia. However, the Soviet Union has made it known time and again that Moscow-Peking talks should not involve third countries. In other words, the Soviets will not change its stand regarding Afghanistan and Vietnam.

Both Moscow and Peking are well aware of the formidable obstacles preventing a full-scale reconciliation, but both have a strong reason to continue their talks--that is, their common objective to destroy the United States and the capitalist system in general.

CSO: 4000/72

**CHIANG CHING-KUO INSTRUCTIONS ON MAJOR PROJECTS**

REF ID: A270427 Taipei CNA in English 0234 GMT 27 Dec 84

[Text] Taipei, 26 Dec (CNA)--President Chiang Ching-kuo said Wednesday that the 14 major construction projects mapped out by the Executive Yuan are one of the important links in the Republic of China's overall development plan and are closely related to the previous two groups of 10 and 12 projects, which have been completed.

He has called on all members of the ruling Kuomintang to give their support to these projects and closely cooperate with the private sector in further [word indistinct] national development.

President Chiang, in his capacity as chairman of the ruling Kuomintang, made the instruction at a weekly meeting of the Kuomintang Central Standing Committee Wednesday after listening to reports by Premier Yu Kuo-hwa and Chou Yao-tung, chairman of the Council for Economic Planning and Development.

The 14 projects will bear great influence on the continued growth and development of this nation, but on the other hand, they are also expected to face more difficulties than those encountered by the 10 and 12 projects, the president indicated.

Several important factors, such as the training of personnel, the planning of details, the appropriation and effective utilization of budgets, will decide whether the 14 projects will be carried out smoothly and completed on schedule, President Chiang said.

President Chiang has expressed his hope that all members of the Kuomintang can strengthen coordination, plan carefully, and dedicate all they can to help complete these projects successfully.

Reporting at the same occasion, Premier Yu Kuo-hwa said Wednesday that the 14 major construction projects proposed by the Executive Yuan in September are estimated to cost NT [New Taiwan] dollar 800 billion (U.S. dollar 20 billion) [words indistinct] years and if everything goes well, most of these projects are expected to be completed by 1990.

These projects include the third-phase expansion of the China Steel Corp., the modernization of telecommunications, the power development plan, the exploitation of energy resources, the construction of more railroads, highways and Taipei's rapid transit system and underground railways, among others.

TAIWAN PROPOSES CONTINUED AIR, SHIPPING LINKS WITH HONG KONG

HK290428 Hong Kong SOUTH CHINA MORNING POST in English 29 Dec 84 p 1

[Text] Taiwan's Economic Planning and Development Council yesterday proposed continuing air and shipping links with Hong Kong after 1997, when the colony is returned to China.

The council said in a report to the government that Taiwan's benefits from the ties outweighed political considerations, according to a REUTER news report from Taipei.

The council's report was the first official indication that Taiwan's nationalist government, which says it represents all China, would retain ties with Hong Kong after 1997.

The nationalists have repeatedly said they would not recognize the Sino-British agreement under which Hong Kong will revert to China.

Leftwing sympathisers in Hong Kong immediately hailed the report as a right step towards facing reality.

The council report said: "The government should strive to maintain existing air and shipping links with Hong Kong after 1997."

China Airlines, Taiwan's flag carrier, and Cathay Pacific Airways operate more than 60 flights weekly between Taipei and Hong Kong.

Ships from both sides can call freely at each other's ports.

The report also suggested that official Taiwanese trade bodies should withdraw from Hong Kong before 1997 and British or U.S.-registered companies formed by pro-Taiwan Chinese take their place, REUTER said.

The report said Taipei should find another trading centre in Southeast Asia to replace Hong Kong, now Taiwan's third largest trading partner and a major port for its reexports.

Two-way trade topped U.S.\$2.6 billion (about HK\$20.5 billion) last year, with Taiwan exporting U.S.\$2.2 billion (about HK\$17.1 billion) and importing U.S.\$450 million (about HK\$3.4 billion) worth of goods from the colony.

The council also said it expected Taiwan's textile industry to suffer from the combined competition of China and Hong Kong.

Vice-premier Mr Lin Yang-kang told a visiting Hong Kong education group yesterday that Taiwan would provide aid to Hong Kong Chinese who wanted to resettle and invest abroad, REUTER reported.

Leftwing sympathisers in Hong Kong described the report as "a right step towards facing reality."

One said: "The best thing would be for Taiwan to try to overlook political implications and treat trade simply as trade."

It would be much wiser for Taiwan to take every opportunity to maintain trade with as many countries as possible, he said.

The director of the Hong Kong General Chamber of Commerce, Mr Jimmy McGregor, believes trade with Taiwan will continue to expand, regardless of the 1997 issue.

"The PRC has no objection to it and Hong Kong traders, as middlemen, have an honourable role to maintain it," he said last night.

It is likely, he said, that some companies with close links with Taipei may move out of the territory in their own interests.

"But there will be no vacuum because many other companies will take up the job," he said.

He is convinced there will be no hitch or slowdown in trade between Hong Kong and Taiwan.

A Cathay Pacific spokesman, however, declined to comment on the report.

The peaceful reunification of ... with the "motherland" is one of the main aims of the present Chinese leadership in Peking.

CSO: 4000/72

PRESIDENT CHIANG SANCTIONS DIFFERENCE OF VIEWS

OW290651 Taipei CHUNG YANG JIH PAO in Chinese 26 Dec 84 p 1

[Text of President Chiang Chong-kuo's constitution day message to national assembly, reprinted from CHINA NEWS in English]

[Text] President Chiang Ching-kuo said today all matters in the nation are open to discussion provided first priority is given to national interests.

In his message marking the 1984 Constitution Day, the president said different opinions and various advocacies "are but normal aspects of modern societies based on freedom and democracy."

In shouldering this responsibility, he continued, the government must adhere to "its highest principle: that the overall interests of the nation and the society must be safeguarded."

However, President Chiang reiterated his vow that the government "will not deviate from constitutional rule" even though it is forced to adopt certain expedient measures dictated by time and circumstances.

Absolute dedication to the implementation of constitutional rule points to the "most reliable pathway to the defeat of our enemies," the President said.

The English translation of the full text of the president's speech as [as published]

Honorable Members of the National Assembly:

It is extraordinarily significant that this joint ceremony, opening the annual plenary session of the Committee for Constitutional Research of the National Assembly and the 1984 Convention of National Assemblymen, is coincident with the observation this year of the 90th anniversary of the founding of the Kuomintang by Dr Sun Yat-sen and the 60th anniversary of Dr Sun's first lecture on the Three Principles of the People. I wish, most sincerely, to extend to you my respects and to confer my commendation for your outstanding contributions in promoting the constitutional system based on the Three Principles of the People.

Dr Sun Yat-sen devoted himself to the National Revolution to secure liberty and equality in China; he drafted the Three Principles of the People in order, in reconstructing China, to create a strong and prosperous country on that framework of liberty and equality.

The Republic of China, since its founding, has encountered numerous adversities, among them, rebellions within and aggressions from without. We have, however, never faltered in our efforts to pursue national development as definitively outlined in Dr. Sun's teaching, the Three Principles of the People. Even at the time when the Chinese Communists--taking advantage of the country's devastation and the people's exhaustion following the eight long years of the War of Resistance against Japan--launched their all-out rebellion, our late President Chiang Kai-shek resolutely led the way to promulgation of the Constitution, despite all difficulties, as the unshakable foundation for this country's dedication to constitutional democracy. As we observe our Constitution Day here today, we cannot help remembering the wisdom and foresight of our two great leaders, and we accord them our deepest respects.

The progress of constitutional democracy involves a winding path of exploration, dedication, adjustment, and adaptation. Many obstacles must be surmounted before patterns suitable for this nation may be fully developed. It has been but 37 years since we implemented our Constitution. Judging from the development history of political democracy in the world, that is rather a short period of time; certainly, our practice of constitutional rule has not yet been perfected.

Just as we were beginning to implement constitutional rule, we were confronted with a chaotic situation involving Communist rebellion and usurpation on the mainland. Despite all, the determination and faith we consecrated to the building of a model constitutional democracy and to the promotion of our nation's development have never wavered. In fact the results we have achieved on this bastion of national revival over the last more than 30 years, via prudent, preplanned programs demonstrate the appropriateness and superior content of our constitutional rule as defined by the Three Principles of the People. We will continue, in this context, to carry forward all our unfinished missions: We are determined to achieve our final goals.

Confronted with a unique situation in the wake of our uncompleted efforts for the eradication of Chinese Communism, we are forced to adopt certain expedient measures dictated by time and circumstance. However, we will not deviate from constitutional rule; that is our unchangeable principle. And that is indicative not only of our absolute dedication to the implementation of constitutional rule, but points the way also to the most reliable pathway to the defeat of our enemies. That is also, why I pointedly remarked to you, a year ago today, that "we must recognize clearly that we are in a period of emergency and that, consequently, the government system under the present constitution should not be changed." In other words, we must respond wisely to changing situations, but meanwhile, also promote solid constitutional rule--never replacing the permanent with the transitory. In so doing, we may expect to "lay an everlasting foundation in an unique period."

In my inaugural address last May 20, I stated: "The entire populace has long endorsed the unchanging premises of anti-Communism and national development as fundamental national policies. Equal support has also been tendered to our basic principle that stability and progress shall receive balanced emphasis and consideration. Based on such understanding, there are no major issues of our country, neither the initiation of what is right nor the elimination of what is wrong, that cannot be openly discussed for the purposes of reaching general consensus."

I would like now to offer some further suggestions which may help enhance the consensus among our people:

First, we understand that our fight against Communism and for national revival involves a competition of ideologies and of systems. This battle, on whose outcome hinges the survival of our nation, reflects our long-term revolution. We must move forward now with a perseverance that will overwhelm all adversaries if we are to truly face up to the challenges of this confrontation. As long as our mission against Communism and for national revival remains to be accomplished, as long as the difficult situation of our country continues in effect, we must be aware that our overall environment will continue to be threatening.

We have gone, together, through thick and thin during the long decades of struggle. And, the more we have fought, the stronger we have become--a clear indication that the Three Principles of the People must eventually win over Communism. Clearly, also, we must persevere in our present basic policies to the end, preparing ourselves with an ever greater will to endure in order to overcome those additional dangers that may present themselves in the future. In this way we shall survive those darkest moments before the dawn. Such unshakable determination must win the understanding and support of all our people.

Second, we must all understand that in a pluralistic, open society, developments in each and every activity and phenomenon are naturally complex. Because of differences among individual interests, always, views will differ on national and social affairs. In the same way, people will have different opinions concerning the various advocacies of government administration, themselves derived from various viewpoints. These are but normal aspects of modern societies based on freedom and democracy, and all are open to debate.

How, then, are we to hold in balance the advantages and disadvantages, and how can we find shared interests among the differences? Therein is a responsibility for government to shoulder, and which must be fulfilled in accord with its highest principle: that the overall interests of the nation and the society must be safeguarded. Consonant with this principle, all matters are open to discussion as long as the intent of the advocates is without subterfuge and unselfish, giving first priority to the national interest so that national security and social stability may be ensured. This basic precept of governing must be inherently accepted by the people, and their cooperation be forthcoming.

Third, it is deeply understood that the progress of this nation relies on incessant creation and renovation. We must never be complacent as a result of extant achievements. And our renovation, for progress, must not be limited to surpassing in practice. It must seek breakthroughs in concept, or else we will trail behind the times.

Undeniably, there are many aspects of our national development that require ignition via the primers of "renovating and re-renovation, progress and further progression," in both action and perception ridding us of obstructions and bottlenecks. Such achievement requires a pooling of the wisdom of all, frank communication, a forward focus, and an opening of minds, thereby to create a more favorable climate and new horizons for our nation and our society. All concerned agencies of the government must be ever ready to accept creative suggestions and ever honed to take action. This attitude of government, to seek truth and to do the job, must be both perceived and encouraged by our people.

Fourth, we firmly believe that unity means strength, and division, destruction. Only when our wisdom is pooled, our wills consolidated, and all our people united behind our national goals and our constitutional system, having replaced extremities of difference with reason; only as we achieve harmony through open-mindedness and magnanimity, display comradeship and cooperation among ourselves as a storm-embattled ship's crew, and construct a vigorous model of constitutional democracy that is both encompassing and everlasting; and only as we fully join our endeavors for the development of a modern nation, can we hope to fulfill the sacred mission of reunifying China under the Three Principles of the People at the earliest date possible. This faith and dedication of the government must receive the trust of, and be shared by, the people.

You, honorable members of the National Assembly, paragons of the people, have spared no efforts in safeguarding this constitutional government of the Three Principles of the People and have left a record of magnificent contribution to the constitutional history of the Republic of China. You have always been outspoken in your discussions of national affairs; and fully aware of the supreme righteousness of our cause, you will certainly offer sagacity and foresight, enhancing the developing future of our nation.

At this time, when the nation's situation is so promising and the nation's prospects are reviving, you are earnestly expected, considering the moral fortitude you dedicate to this nation with such unreserved loyalty, to make plans for the country's progress and development, to strive to enlighten the people, and to advise and assist the government in our shared endeavors within the mission of anti-Communism and national revival.

The points I bring out above are all sincerely from the depths of my heart. Your comments and encouragement are very cordially solicited. I believe that as long as all our compatriots at home and abroad are united, as with one heart and one mind, and work with confidence in success, that there will never be an adversity that we cannot surmount nor an enemy that we cannot defeat. We will surely achieve our great undertaking of national recovery and reconstruction and our compatriots on the mainland will surely bask again in the radiance of the constitutional democracy of the Three Principles of the People.

My best wishes for the success of your convocation and for the good health of all of you, National Assemblymen of the Republic.

CSO: 4000/72

## GUARD UP AGAINST VISITS BY 'SUBVERSIVE ELEMENTS'

OW281423 Taipei CHINA POST in English 25 Dec 84 p 12

[Text] An eight-member delegation from the Southern California Taiwanese Association (formerly reported as the Formosan Association), an alleged anti-Kuomintang organization in the United States, arrived here last night amid local controversy over visits by such groups.

Delegation members, in an open statement to people here, said the purpose of their visits is to "show their gratitude to their mother country," and to better understand the development here so as to help develop this nation's future.

The delegation, led by Chiang Chao-yi, will stay for two weeks. Delegation members will meet with Vice Premier Lin Yang-king, secretary general of the ruling KMT's Central Committee Tsiang Yien-si, non-partisans and the Presbyterian Church.

The government of the Republic of China has repeated that it will deal with visits by Overseas Chinese including members of the association, on a case-by-case basis. More than 100 members of the New York-based Taiwanese Association expressed their wish for a group visit earlier this year.

The method is designed to prevent infiltration of subversive elements into the ROC, the government said.

Some members of the association have allegedly participated in political activities sponsored by overseas organizations the government designates as "rebel groups," the government said.

The government reportedly required in early December that Overseas Chinese who plan to return to the ROC in group must make a public declaration of their support for the ROC government.

In their statement yesterday, the Chinese visitors from Southern California said their wish to return was fulfilled because of their strong confidence in and their deep concern for the nation.

CSO: 4000/72

REPORT ON VISITING U.S. DELEGATION

OW310633 Taipei CHINA POST in English 27 Dec 84 p 12

[Text] The delegation from the Southern California Taiwanese Association yesterday called on Foreign Affairs Minister Chu Fu-sung and North American Affairs Department Director John H. Chang.

The nine-member delegation which arrived here on Christmas Eve for a 14-day visit, Tuesday exchanged views with Vice Premier Lin Yang-kang over this nation's diplomacy, politics and interior affairs at a luncheon.

The visitors whose association was formerly reported as an alleged anti-Kuomintang organization, suggested the government allow expression of more different opinions in politics.

They also asked the government consider releasing before schedule "political prisoners" who are serving long-term imprisonment. An ad hoc committee could be set up to help "political prisoners" find jobs after they are released, they said.

The government has repeated that there are no political prisoners in this nation. The "political prisoners" called by foreign visitors are regarded as "violent criminals" by the government for their involvement in violent political actions.

The visitors from California also asked the government to manage aggressively to return to international organizations such as the United Nations.

The Republic of China stepped out of the United Nations General Assembly in 1971, minutes before the assembly voted 76-35 for an Albanian resolution to Seat Peking and expel the ROC.

The visitors also expressed their concerns over the three coal mine disasters in Taipei County in the past 6 months which killed 270 people.

Vice Premier Chiu said the visitors' suggestions will be conveyed to relevant organizations and will be used as reference for government policy making.

Members of the Taiwanese association have also visited Secretary General of the ruling KMT's Central Committee Tsiang Yien-si, director of the KMT's Department of Overseas Affairs Cheng Hsin-hsiung and Taipei County Chief Lin Feng-cheng.

TAIWAN

BRIEFS

HONG KONG DELEGATION ADDRESSED--Taipei, 27 Dec (CNA)--A 33-member mission of Hong Kong educators called on Vice Premier Lin Yang-kang Thursday at his office. Lin first expressed to his guests this government's concerns over the future of the 5.5 million Chinese in Hong Kong. He also explained to the mission the government's policy toward the "Hong Kong issue." Members of the Mission submitted some suggestions regarding Hong Kong Chinese wishing to reside and make investments here. Lin promised to relay their opinions to related government agencies for further review. Also present at the meeting was Tseng Kwang-shun, chairman of the Overseas Chinese Affairs Commission under the Executive Yuan. [Text] [Taipei CNA in English 0258 GMT 28 Dec 84]

PREMIER YU, U.S. FAUNTRY MEET--Taipei, 29 Dec (CNA)--Premier Yu Kuo-hwa Saturday morning received Walter E. Fauntroy, delegate of the District of Columbia to the U.S. House of Representatives, at the Executive Yuan. Delegate Fauntroy was accompanied by Clifton B. Smith, secretary-general of the District of Columbia City Government, and Chang Hsiao-yan, director of the Department of North America of the Ministry of Foreign Affairs, during the meeting. Fauntroy flew into Taipei Friday. He is due to depart next Monday. [Text] [Taipei CNA in English 1004 GMT 29 Dec 84]

CSO: 4000/72

LO RESIGNATION RUMORS, HONG KONG ACCORD LINKED

HK281246 Hong Kong SOUTH CHINA MORNING POST in English 28 Dec 84 p 1

[Article by Renu Daryanani]

[Text] The government refused to shed light yesterday on whether Mr T.S. Lo has resigned from his post as an appointed Unofficial Member of the Legislative Council [LEGCO].

Reports that Mr Lo has resigned because of dissatisfaction with the handling of Hong Kong's future by Britain, have created a political power that has many puzzled.

Speculation has been fueled by the fact that the previously active Mr Lo has maintained a low profile in politics for the past few months and by recent articles in the press.

Mr Lo, a senior member of both the Executive and Legislative Councils, is in the United States and could not be reached for comment yesterday.

But a short government statement issued in reply to questions yesterday was glaring in that it did not deny the circulating rumours.

"We have no comment on the newspapers' story.

"If and when we have anything to say on membership of the Executive and Legislative Councils, we will make an official announcement," the entire statement read.

A Legislative Council member said in private that the resignation of any member of the council would be a confidential matter between the governor and the member concerned.

The member, who had heard the same rumours about Mr Lo, did not think anyone was in a position to confirm this until an official announcement was made.

Another source close to the council described the rumours as "very strong indeed."

An official from the councils and Administration Branch said the branch has received no formal notification of Mr Lo's resignation. According to the Letters Patents and Royal Instructions, a member may resign from the two councils simply by writing to the governor.

However, no resignation takes effect until it is accepted by the governor, the official said.

An official from the Umelco [Unofficial Members of the Executive and Legislative Councils] Office also said he had heard the reports but was not aware of any resignation.

Mr Lo's secretary said yesterday her boss is "travelling around the United States now and cannot be contacted for the moment."

He is expected to be back in Hong Kong next month.

Friends told the SOUTH CHINA MORNING POST earlier that Mr Lo is so disappointed with Britain's treatment of Hong Kong he felt he could not in all good conscience continue to serve.

In fact, he felt so strongly about the matter he wanted to quit the Legislative Council immediately the draft agreement was initialled.

It is said he was persuaded not to leave just then because it was a sensitive period and the announcement of a council member resigning in protest could have been political dynamite.

Mr Lo has been notably absent from Legco's public meetings for a long time.

CSO: 4000/74

**ASPECTS OF 'ONE COUNTRY, TWO SYSTEMS' QUESTIONED**

Hong Kong CHENG MING [CONTENDING] in Chinese No 85, Nov 84 pp 38-40

[Article by Liao Szu [1675 1835]: "A Query of 'One Country, Two Systems'"]

[Text] According to information revealed in the 15 October issue of Beijing's LIAOWANG [OUTLOOK] WEEKLY, Deng Xiaoping, when mentioning in last July that the Sino-British talks on the Hong Kong issue had basically concluded, said: "I am very confident that 'one country, two systems' will work." Deng Xiaoping's words followed a rational line, without any logical error, because "one country, two systems" was personally proposed by him, and if he was not confident, he would not have made it a national policy. Thus, we have no need to doubt his confidence.

Nevertheless, will "one country, two systems" really work? It seems that people other than Deng Xiaoping should not answer the question casually, either in the negative or in the affirmative, because it can only be tested by a long practice. Coming days are long, and there is no need for either premature pessimism or premature optimism. However, there is no harm for us to bring up a few questions for consultation with the Communist Chinese policymakers.

Perhaps because "one country, two systems" is a brand-new concept and was extended by Communist China from the Hong Kong issue, what has been said before is somewhat not exhaustive, and people generally analyze its connotations from the proposition itself. Nevertheless, it is better now; the article appearing in the same issue of LIAOWANG entitled "A Concept of Momentous Significance--Comrade Deng Xiaoping Discusses 'One Country, Two Systems'" fairly minutely and systematically reported Deng Xiaoping's comments. The questions brought up by us are based on them.

**Revision of Traditional Theories**

Since it is a national policy, "one country, two systems" has to be acceptable to the people of the whole country and theoretically convincing to them. In other words, it has to be acceptable and convincing not only to the people of Hong Kong and Taiwan, but also to the 1 billion population of the mainland. Only thus will this national policy have a strong mass base. However, when we look at Deng Xiaoping's comments, we find that he focuses only on placating Hong Kong and Taiwan, while ignoring the reaction of the mainland cadres and

masses. According to our knowledge, the CPC has to date given no clear-cut explanation to the mainland cadres and masses on the issue of how to unify and harmonize, under a unified central government, socialism and capitalism, the two diametrically opposed systems, and made no effort even to query the theoretical community. Thus, the traditional prejudices and theoretical dogmas formed through a long time in the minds of the mainland cadres and masses are bound to interfere severely with the implementation of "one country, two systems."

Deng Xiaoping, for instance, declared: "The socialist system followed by the 1 billion mainland population will not change." "Our socialist system will not change; it will never change." Then, as for why "it will never change," Deng Xiaoping gave no concrete explanation. Actually, no explanation is needed, because it is completely based on the conviction of the communists and the goal of their power. Mao Zedong said long ago that "only socialism will save China," and the Marxism-Leninism followed by the communists also regards capitalism as "decadent" and "dying" and has to be replaced by socialism and overthrown by revolutionary (violent) means. Naturally, these basic theories followed by the communists have not changed today. What the mainland cadres and masses, long nurtured by Marxism-Leninism, chant day and night is "socialism is good."

Today, disregarding the superiority of the socialist system, the concept of "one country, two systems" actually affirms the rationality and feasibility of the capitalist system. Will it not confuse the minds of the mainland cadres and masses? Particularly when Deng Xiaoping declared that, "if Hong Kong's and Taiwan's continued practice of the capitalist system is not guaranteed, it will be impossible to preserve their stability and prosperity," the mainland cadres and masses have grounds to ask in reply: Since our socialist system is so superior, why can't we change the capitalist system and preserve Hong Kong's and Taiwan's stability and prosperity with the incomparable superiority of the socialist system? Since socialism, which is the theory and practice of Marxism-Leninism, is valid throughout the world, why can't the socialist system preserve their stability and prosperity? Thus, the situation is bound to generate "doubt of the permanence of the current (socialist) system" in the minds of the mainland cadres and masses.

Perhaps Deng Xiaoping's only explanation of his statement that, "if Hong Kong's and Taiwan's continued practice of the capitalist system is not guaranteed, it will be impossible to preserve their stability and prosperity" is "respect for facts, respect for reality" and "respect for Hong Kong's and Taiwan's historical reality." Nevertheless, when the communists employed violent revolutionary means to change the social system of a country, e.g., Russia's October Revolution, China's liberation war, and replacing capitalism with the socialist system by today's communists in power, was it not also "respect for facts, respect for reality" and even "respect for the developmental laws of history?" The mainland cadres and masses will also ask: If changing the capitalist system in the past was "respect for facts and respect for reality" and guaranteeing it today is also "respect for facts and respect for reality," is there, after all, a criterion for such respect in the CPC's promotion of the revolution?

Take another instance: Deng Xiaoping said that Hong Kong's capitalist system "will remain unchanged for the next 50 years" is in conjunction with the fact that China needs 50 or 60 years before achieving modernization; and that "we will talk about it 50 years later." In other words, there will be two alternatives 50 years hence: continued preservation of the capitalist system, or changing to the socialist system with the "maturity of conditions." According to the logic of the theories followed by the communists, the potential for the latter is greater. However, Deng Xiaoping's only basis for the term of "50 years" is the achievement of the modernization of the mainland by them. Obviously, he had in mind that the mainland productive forces and living standard will have reached par with those of Hong Kong and Taiwan. We can conceive that, in the interval of 50 years, both the mainland and Hong Kong and Taiwan will progress and develop, reaching the same levels of modernization by the end of the interval, but does it mean that the two basically different systems will become identical and combine into one? We feel that it is impossible. If it is to be "talked about" 50 years later, then, the following questions require answers from the Communist Chinese theoreticians: When one system makes a revolutionary flying leap to another system, what is the need on which it is based? Does it mean that mainland modernization will have been achieved in 50 years while Hong Kong's and Taiwan's capitalist system, moving toward decadence and decline, will have no alternative but to change? If not, does it then mean that there will no longer be any basic contradictions between the mainland and Hong Kong and Taiwan systems 50 years later and that the two will become one integral whole? Is there a conflict with the traditional revolutionary theories of the communists?

Thus, the proposal of "one country, two systems" is bound to create ideological confusion on the mainland. Though the CPC authorities may not feel concerned about the confusion, the people of Hong Kong and Taiwan, who find themselves in a passive position, have to worry whether the "one country, two systems" will not be abandoned halfway, because, with the deeply entrenched belief in the omnipotence of the socialist system and the evils of the capitalist system, the day will finally come when there will be a revolt against "one country, two systems" on the mainland. This is our concern.

Thus, it is necessary for the CPC authorities to properly perform the work of theoretical revisions. They should acknowledge that the capitalist system has some strong points as compared with the socialist system and declare that the "long-term coexistence" and mutual competition of the two systems should be permitted and that socialism is not the only way to save China. Only when the theories and concepts change will it become possible for "one country, two systems" to remain unchanged for at least 50 years.

However, is the CPC willing to perform this work?

#### The Basic Guarantee of "Unchange"

Perceiving Hong Kong's and Taiwan's lack of confidence in the constancy of "one country, two systems," Deng Xiaoping declared: "'One country, two systems' is not my personal decision, but a policy passed by the NPC. It is a law. How can it change? The question is not whether the policy is correct. If correct,

then no one can change it. If incorrect, naturally it should be changed. After the 3d Plenary Session of the 11th party Central Committee, the liberalization policy followed at home to enliven the economy first showed results in rural areas. Who can change this correct policy? If it is changed, the living standard of 80 percent of China's population will drop, and we will lose 80 percent of our support." Summarized, these words consist of only two points: First, "one country, two systems" is a "law" passed by the NPC, and therefore, it cannot be changed; second, "one country, two systems" is correct and has public support, and therefore, it definitely will not be changed.

Here, we absolutely have no doubt of Deng Xiaoping's sincerity. Nevertheless, we have to point out that whether it will be changed does not hinge on Deng Xiaoping's personal desire. Take his own political fate for instance: According to his own desire, he had no reason not to seek the full play of his aspirations and talent. Yet, he was "promoted three times and demoted three times," and not till he was in his 70's did he "have his own way." Is it conceivable that the "laws" and "public support" of the past were unfavorable to him? Of course not. The "laws" and "public support" of the past were helpless to protect him. As pointed out by many overseas figures, the series of "socialist revolutions," including the "anti-rightist campaign," "people's commune," "great leap forward,"... promoted by Mao Zedong in the late fifties cost him more than 80 percent of his public support, yet no one, including Deng Xiaoping, could stop him from pursuing his "changes." He lost all support when he launched the "Cultural Revolution," but, had he not "gone to see Marx," no one could have blocked him from initiating further "changes."

Rather than a historical issue of the past, it remains a practical problem. What is the practical problem? What is involved here is what, after all, the basic guarantee of "unchange" is.

Generally speaking, the presence or absence of public support will eventually determine the policies of the authorities, but public support does not produce an impact from start to finish. Only when the contradictions become aggravated will it develop its effect. From Mao Zedong's regime to Deng Xiaoping's reform, we may say that there was the issue of public support, but the absence of public support made no difference to Mao Zedong's abuses. Therefore, in regard to such words as "correct policy ... public support ... will not be changed," there is no harm for us to hear them.

As for law, to a country which truly practices democracy and follows the rule of law, the law is supreme. Though law is formulated by people and not absolutely immutable, in the democratic European and American countries under the rule of law, there is a broad restrictive and balancing force when changing the law. The power of the America president is great, but he has absolutely no power to change the constitution, and nor does today's ruling Republican party have such power. Therefore, people have ample confidence in their "laws."

What about China? In theory, the law formulated by the NPC is supreme, and the NPC also follows a set of "democratic" legislative procedures. Nevertheless, it has not the slightest effect on the essence of China's one-party dictatorship and rule of men. As we all know, whether to convene the NPC is

determined by the party; the articles in the constitution are decided by the party before being handed over to the NPC for "passage;" when the party's line and policies change, the NPC's legislation has to follow suit; inside the party, its line and policies are decided by individuals. In the past, they were decided by Mao Zedong's "imperial edict." Though there is a "collective leadership" today, basically they are decided by a few individuals and, to a considerable extent, by Deng Xiaoping himself. In short, the legislative procedures have no restrictive and balancing force. Under this situation, how can people have adequate confidence in the "law"?

Therefore, we feel that, in regard to whether a national policy will be changed, the decisive factor is not "law" (actually, the national policy itself is "law," how can the law itself ensure that it will not be changed?), but the system of the state, whether it is under the rule of law or the rule of men. Only when the CPC truly changes the leadership system of one-party regime and rule of men consistently followed for 35 years will we have confidence in China's "law" and thereby in the constancy of "one country, two systems." Deng Xiaoping obviously failed to "respect" China's "reality" in his generalities on the issue of "unchange."

#### The Significance Must Not Be Overestimated

There is another question: Is the significance of "one country, two systems" as high as estimated by Deng Xiaoping?

Deng Xiaoping said: "When we proposed 'one country, two systems,' we also considered the means to solve international disputes." "If we want stability and no war, we can only adopt the means we discussed." It seems as if he wanted to make it an "international model."

Obviously Deng Xiaoping directed these words at the divided Germany and Korea. However, is there a possibility for Germany and Korea to follow the "one country, two systems" model?

In terms of the words "one country, two systems" literally, whether China or Germany and Korea, "one country, two systems" has long been followed. The same country is divided by two political forces, following mutually opposite systems. However, the exact significance of Deng Xiaoping's "one country, two systems" should be: Nominally, the state has a unified central government, and the regime following the capitalist system relinquishes its independence, subjects itself to the jurisdiction of the communist regime and becomes a local government, while the communist party permits it to continue its capitalist system in the area formerly under its administration.

Though in such a "country" (unified), the communist party does not permit "one side to wipe out the other," a question arises. Let us make another assumption: If "one country, two systems" is proposed by Taiwan's Kuomintang, the South Korean government or the West German government, demanding "unification" with the communist regime under its government and permitting the communist party to continue the socialist system for 50 or 70 years in the areas formerly under its administration, what will be the reactions of the communist parties? The question affords food for thought.

In terms of China's national conditions, we should admit that "one country, two systems" proposed by the CPC has its feasibilities. Communist China's strength is superior, and it basically has no worry that Taiwan or Hong Kong may "wipe it out." Almost afraid to mention "counterattack and recovery of the country," Taiwan, on the other hand, is constantly on guard against being "wiped out" by Communist China. Under the condition where Communist China dominates the situation and occupies the initiative in everything, it is not impossible for its proposal to unify the country by means of "one country, two systems" to work. We may say that the possibility is rather great.

But the situations of Germany and Korea are totally different. In regard to East and West Germany or North and South Korea, they are half a dozen of one and six of the other, each with its strong and weak points, each with its own initiative, and each being qualified to propose "one country, two systems" and "unify" the other side or to categorically reject the other's "policy." As far as they are concerned, the question of whether "one country, two systems" is desirable and workable basically does not exist; their question is which side will become the "central government."

When looked at thus, the significance of "one country, two systems" is very limited. If it is said that it is compatible with China's national conditions, we will raise no objection, but we really cannot rashly accede to its "world significance."

The CPC's overestimate of the significance of "one country, two systems" is completely the result of the mischief of its old habit of unrealistic boasting. As long as it is their invention, it has to be a universal law, valid throughout the world. Nevertheless, excessive boasting will only result in outsmarting oneself.

In short, whether "one country, two systems" is workable completely awaits testing by practice, especially whether the CPC can find the effective measures to ensure its smooth implementation. Here, a tremendous amount of work remains to be performed wholeheartedly and sincerely by the CPC.

6080  
CSO: 4005/202

HONG KONG GOVERNMENT DISAPPROVES OF OMBUDSMAN SUGGESTION

HK290424 Hong Kong SOUTH CHINA MORNING POST in English 29 Dec 84 p 7

[Text] A proposal to appoint an ombudsman to monitor the government machinery is not favoured by the administration at this stage.

Despite the coming political changes, it is felt the watchdog role currently performed by members of the Legislative and Executive Councils on administrative decisions will remain unchanged.

"By convention, UMELOCO [Unofficial Members of Executive and Legislative Councils] has worked very well," the retiring secretary for home affairs, Mr Dennis Bray, said yesterday.

Besides advising the government on policy making, UMELOCO currently serves as an independent body to monitor any allegations of maladministration and abuse of power by government officials or departments, he said.

It has direct access to confidential government files and has the right to summon department heads or individual civil servants to testify before its various panels.

Bidding farewell to reporters yesterday, Mr Bray said the role of an ombudsman could be made too narrow by its terms of reference.

Mr Bray defended the existing system of investigating complaints about government maladministration through UMELOCO, saying UMELOCO enjoys unlimited scope in probes into any matters its members feel desirable.

Mr Bray said the fact that UMELOCO members are not confined by any statutory boundary has made the present system more easily manoeuvrable.

"If they (UMELOCO members) want to raise a matter, they can go for it," he added.

The appointment of an ombudsman was last seriously mooted by the secretary of the Law Reform Commission, Mr Bertrand de Speville, five months ago.

The commission was looking ahead to the inevitable changes in the law as 1997 approached, and seeking an alternative recourse after British rule over Hong Kong ended. The concept has been debated intermittently on several occasions since the mid-1970s.

Meanwhile, 33 organisations from various sectors of the community hosted a dinner to pay tribute to Mr Bray yesterday. The hosts included kaifong associations, religious groups, clansman associations, chambers of commerce and voluntary agencies.

HONG KONG MEDIA ON CHINA

HONG KONG PAPER REPORTS PRC TO APPLY TO JOIN WIPO BY END OF MONTH

HK200513 Hong Kong SOUTH CHINA MORNING POST in English 20 Dec 84, Business Supplement, p 3

[Article by Olivia Sin]

[Text] China will apply to join the Paris Convention for the Protection of Industrial Property by the end of the month, the visiting head of China's Patent Office (CPO), Mr Huang Kunyi, said yesterday.

He said China was likely to become a member of the Paris Union by 1 April when China's patent law was enforced.

Industrial property includes inventions, trade marks, industrial designs, trade names and utility models.

Mr Huang, who is the director-general of CPO, said by joining the Paris convention, China showed that it was willing to protect industrial property and provide legal protection for technological and economic exchanges with foreign countries.

Chinese officials have admitted that the lack of patent protection in the country has been a stumbling block to technology transfer from foreign countries.

Mr Huang said he hoped technology transfer would be speeded up after China had joined the convention, which has 94 member states, including the United States, Britain, Soviet Union and Japan.

Mr Huang, speaking at a seminar on China's patent law held here yesterday, said the Ministry of Foreign Affairs would in the next two weeks submit its application to the director-general of the World Intellectual Property Organization (WIPO), a UN agency responsible for administering the Paris Union.

The seminar, organised by the China Patent Agent (HK) Ltd, is attended by more than 200 delegates from Japan, the United States, Europe and Hong Kong.

China promulgated the patent law in March which provides protection for three kinds of patents— inventions, utility models and designs.

Mr Huang said China had also decided to give preferential treatment to foreign applicants seeking patent protection.

"Any foreign applicant, who according to the provisions of the patent law may enjoy a right of priority, may claim the priority of an earlier application filed in another country, if that application was filed after 1 October," he said.

The right of priority is also one of the provisions included in the Paris Convention.

The right means that on the basis of a regular first application filed in one of the member states of the convention, the applicant may within a certain period of time apply for protection in other member states. The later applications will then be regarded as if they had been filed on the same day as the first application.

In other words, the later application will have priority (hence the right of priority) over applications which may have been filed during the same period of time by other persons for the same inventions or designs.

In addition, Mr Huang said the "implementing regulations" of China's patent law would be announced very soon to enable foreign firms make their applications for patent protection in China.

The regulations are studied by the State Council and the exercise has taken more time than usual because of its technicality.

CSO: 4000/74

HONG KONG MEDIA ON CHINA

PRC INSTITUTE OF LAW PROFESSOR ON DRAFTING COMMERCIAL LAWS

HK200517 Hong Kong SOUTH CHINA MORNING POST in English 20 Dec 84 p 17

[Text] China is drafting several laws on commerce, a visiting Chinese legal expert said yesterday.

Mr Xie Huaishi, associate professor of the Institute of Law at the Academy of Social Sciences, said the draft law included those on company, foreign enterprises in the country and bankruptcy.

Law on inheritance is also being drafted, said Mr Xie, who is a member of the delegation from the institute now visiting Hong Kong.

In a lecture in Shue Yan College, he said that in the absence of legislation in some areas, the State Council has issued a number of regulations and stipulations as guidelines.

Chinese citizens can sue government departments and officials for violation of laws of infringement of their interests, he said.

"There is a misunderstanding among Hong Kong lawyers that people in China cannot sue the government or officials."

For example, a person can ask for a tax review. If he finds the ruling of the review by taxation authorities unsatisfactory, he can take the case to court.

Mr Xie said that in the past because the legal system was far from complete, the rule by law in China was not set up.

In recent years many laws were enacted and the legal system was further developed, he said.

Meanwhile, the six-member delegation yesterday visited Victoria District Court and Small Claims Tribunal.

CSO: 4000/74

CHINA'S REUNIFICATION ON OLYMPIC MODEL VIEWED

Hong Kong MING PAO YUEKAN [MING PAO MONTHLY] in Chinese Vol 19, No 11, Nov 84 pp46-48

[Article by Wen Tsai-ch'uan [3306 0961 1557]: "The Olympic Model and China's Reunification"]

[Text] At the 23d Olympic Games in Los Angeles, 8,000 selected athletes from 140 countries and regions of the globe took part in competitions, a gathering of masters of many colors and postures. American athletes won 174 medals and placed first, and the whole country went crazy with excitement. The Chinese mainland athletes, taking part in the Olympics for the first time, won 32 medals and placed sixth, showing their abilities and drawing increased worldwide respect. A few days ago the CHINA TIMES, which is published in eastern America, with the Olympic model as its topic, interviewed figures in Overseas Chinese student circles and published their impressions. Some of them thought that, through the Olympic model, the return of the PRC to the international stage was a big breakthrough, and others thought that it was a big victory for the CPC's united front, each person having different views. Even if it is said that sports reverts to sports and politics reverts to politics, from a look at the Olympics itself, this formulation is no better than a quibble continuing a concealed meaning. In 1982, Taipei sponsored the World Women's Softball Championships, and because the national flag of the Republic of China was hung on the meeting hall, the Chinese communists and Japan purposely made a fuss and in the end walked out. In 1980 Moscow sponsored the 22d Olympic Games, and because the Soviet Union has sent troops to invade Afghanistan, America boycotted the games and stopped its athletes from taking part in them. This year, when Los Angeles sponsored the Olympic Games, the Soviet Union, on the pretext that the security protection for its athletes was inadequate, in retaliation called on 14 communist countries of Eastern Europe to boycott the games along with it. The Los Angeles Olympics had just closed when the Soviet Union on 17 October held Friendship Games in Moscow, in which it is said that 8,000 athletes of more than 40 countries took part. Although it did not show that the games were a second Olympics, its aim was to strike at America and dim the glory of the Los Angeles Olympics. It may be concluded from this that on the surface politics does not interfere with sports, but it is useless to argue that in essence that there has ever been an Olympics that has not been touched by the international political situation at that time and that place.

The Chinese mainland team at the Los Angeles Olympics amazed the world with their feats, and all their compatriots living in America, no matter where they had come from, were glued to television sets watching all of the competitions that the members of the team took part in. They saw Xu Haifeng's [6079 3189 1496] pistol shooting win the team's first gold medal. Then in the performance of Li Ning [2651 1330], Lou Yun [2869 7189], and Tong Fei [4547 7378] on the rings, pommelled horse, vaulting horse, and all-round gymnastics, the audience saw them display their talents with the strength and vigor of dragons, turning over front and back, moving back and forth to the right and left. Without exception the audience, gasping in admiration and amazement, broke out into deafening cheers. In the last finals of the women's volleyball event, the Chinese team was pitted against the American team. Both sides exerted all their strength, attacking and retreating to defend, wheeling up and down. Victory would be decided by one or two points. The Chinese players won the first game 16 to 14. The Chinese team won the second and third games, achieving the brilliant success of beating the American team in all three games, during which the tense and breathtaking movements left people gasping. In the competitions in the 16-day Olympic Games, the Chinese mainland team won 15 gold medals, 8 silver medals, and 9 bronze medals, surpassing Italy, Japan, France, Australia, and South Korea. This glorious record was really hard to come by. In the past when Chinese athletes attended the Olympic Games, Yang Chuanguang [2779 0278 1684] won a silver medal at the 1960 Olympic Games in Rome and Jizheng [4764 2398] won a bronze medal in the 1968 Olympic Games in Mexico City, and that was all. In the East Asian Games, their scores have been mediocre, falling behind those of Japan. Everybody acknowledges that the reason Japan dominates the Far East in sports is because its educational system is good. Beginning in elementary school, the bodies of students are strictly tempered, laying a foundation for strength and health. Turning to a look at China, after the establishment of schools at the end of the Qing Dynasty, the view of Zhang Zhidong [the war minister at that time], namely, using Western methods in Chinese physical education, was adopted and military-type gymnastics were put into school curricula. At that time there was an atmosphere overflowing the entire country of working with a will to make the country strong. Between the 11th and 12th years of the republic, there was a reform of the primary and middle school system, and training began in track and field events and ball games, a development greatly welcomed by the students. The schools voluntarily organized ball teams and held competitions with each other, which were seen as regular extracurricular activities, and the school authorities did not pay much attention to them. Since ancient times China has had education in the "six arts"--rites, music, archery, chariot driving, learning, and mathematics--but searching through the literature of history one does not see the setting up of a school of music, horse, riding, and archery. Even if some persons set up halls to teach pupils, educating them in shadowboxing, sword fencing, horse riding, and archery, these halls were privately run by the people and had no connection with the administrative system set up by the feudal officials. We were happy to see the splendid performance of the mainland athletes at this Los Angeles Olympics, and in searching for the factors for their success we discovered that all of them came out of officially run sports academies and had trained arduously for many years before they

made today's achievements. The CPC has been in power on the mainland for more than 30 years, and it has not had many official achievements like these, which are praiseworthy. Sports have been determinedly administered, popularized to the utmost, planned by the central authorities, and promoted throughout the country. All provinces, municipalities, and autonomous regions, as well as the Liberation Army, have set up sports academies to train talents, and such large-scale facilities for this purpose have not been seen in history. Taiwan's land reform and industrial takeoff have created miracles in economic development, which compelled the CPC's admiration, and it issued the slogan "in economics learn from Taiwan." And shouldn't today's outstanding achievements in sports by the mainland spur Taiwan and make it shout "in sports learn from the mainland?"

On the day these Olympic Games began, Madam Ji Zheng said, "If a Chinese wins a gold medal, no matter where he or she comes from or what his or her political position is, it will be an honor for the Chinese people." This statement was absolutely correct. During the 16-day competitions, we saw the mainland athletes almost every day get gold medals, silver medals, and bronze medals without any difficulty. For us Chinese people to get this honor we had never had before, who among us wouldn't understand the inspiration it gave and consider it an honor! However, in addition to sharing in the intoxication of this honor there is a lump in one's heart that is hard to dispel. When several children who are growing up here saw the athletes on our country's two teams enter the arena, each team hoisting a different flag, they felt this was strange, and yelled, "The Americans have only the Stars and Stripes; why do we Chinese have two flags?" This question was difficult to answer. The children are immature and the question is too complex for them. If the adults said anything it wouldn't be clear to the children, so they said nothing. However, this question is really a question that should be asked. If the adults don't give an answer, can they wait until the children grow up and seek their own answer? In several years they will be grown-up, and then will they be assimilated in America, becoming like bananas, which are yellow on the outside and white on the inside? If they don't change like this, which flag on the two sides of the strait will they recognize as that of their motherland.

In 1979, President Carter recognized the Chinese communist regime, and on Chinese New Year's Day in that year, there was a great deal of confusion among the Chinese organizations in America on the question of what flag to hang. In the streets or at intersections, one would encounter American friends who would ask, "Which China do you belong to?" The person asking the question was not necessarily intentionally scoffing and poking fun, but the person being asked felt awkward, embarrassed, and ashamed. How would he answer? on the third day of this Olympics, in the weightlifting competition mainland athlete Ceng Cuoqiang [2582 0948 1730] won the gold medal and Taipei athlete Ts'ai Wenri [5591 3306 5030] won the bronze medal. The two men stood side by side on the platform to receive their medals, and the mainland's five-starred flag and the flag of the Taipei Olympic Association were raised simultaneously. American reporters laughingly asked the two men what thoughts they had. A mainland interpreter rushed in an answer before they could reply, "They don't come from two countries; in the world

there is only one China." This scene occurred before the eyes of a worldwide audience. We felt bad, and I'm afraid that the two athletes also did not look at ease!

As for the emergence of the Olympic model, we might as well come straight to the point and say frankly that the Chinese communists originally wanted to replace the Chinese Republic as a member of the Olympics. This caused a dispute, which could not be resolved unless each made the concession that both sides could represent China and that the athletes of the two sides would take part in the Olympics together. This was the painstakingly planned arrangement of the General Olympics Committee, and by obtaining the agreement of the two sides the dispute calmed down. Because the Chinese mainland team's skill was prominent and its momentum was as high as a rainbow; it won 32 medals, and naturally it could take pride in looking down on Italy, Japan, and France. Although the Chinese team from Taipei was not weak, it only won one bronze medal and of course could not avoid being outshone and put in a disadvantage position. Some people think that the "Chinese communists did not put on a united front in the beginning" but "put on a united front at the end," and there is considerable truth in this comment. With regard to the Taiwan side, to maintain its position in the Olympics, in which in former years it had represented our country's flag and anthem, it could not but change in adaptation to circumstances, and of course this put it to great trouble. However, viewed from another angle, the decision to endure humiliation for a time and wait until some day that it stages a comeback, rather than to be squeezed out by others' pressure and withdraw from the international stage, can be regarded as wise and having a high degree of courage and boldness.

Recently, the discussion of the reunification question by scholars abroad has been extremely lively. This is a move that the Chinese communists want to come out in dealing with the change in America's diplomacy, and is also one of their united front tactics. In America's 1980 general elections, Reagan's campaign speeches were anticommunist and pro-Taiwan, and Deng Xiaoping had a premonition that relations between the Chinese communists and America would worsen. He said to Cha Liang-yung [2686 5328 6978] of Hong Kong's MING PAO: "If America truly retrogresses in Sino-U.S. relations, there would be nothing terrible about this, and if the situation retrogresses to what it was before 1972, China would not collapse." This statement frankly said that in case the situation deteriorates he had made his own proper preparations. When Reagan was elected president and took office, the incidents of woman tennis player Hu Nuo's [7579 1226] flight to freedom, the restriction on textile goods sent to America, the complaint about compensation for the Hunan-Guangdong railway bonds, and so forth. When Taiwan purchased the FX military aircraft, the Chinese communist rebuked America for being untrustworthy and said the status of diplomatic relations between the two countries would be lowered, Li Xiannian threatened, "China cannot stand for America selling even one rifle to Taiwan. If Deng Xiaoping yields on this point, he must leave office, and all the leaders, including Zhao Ziyang, must resign." From this posture of excitement and indignation, it was obvious that there was a little confusion in China's innermost being. Reagan sent Vice President Bush to Beijing with three

separate letters to Deng, Hu [Yaobang] and Zhao, in which "Ye's nine" peace proposals were praised and in which the Chinese communists' position as the representatives of China was affirmed. The situation gradually became genial, and this stone weighting on old Deng's heart was lifted a little. When Shultz became secretary of state, he went to Beijing under orders and there negotiated the July 1981 communique and invited Zhao Ziyang to visit America. This dispelled the haze, and relations between the two countries tended to take a turn for the better.

In the July 1981 communique America declared that it would not make long-term sales weapons to Taiwan and the weapons sold would not exceed the level since America and the Chinese communists established diplomatic relations. Compared with the Shanghai communique and the communique establishing diplomatic relations, this two-point statement contained very big changes, and therefore it virtually encouraged the Chinese communists to continue to push forward this tactic. Paying no attention to the Soviet Union's boycott of the Los Angeles Olympics, the Chinese communists sent a massive contingent of more than 200 persons to take part in the competition after first obtaining U.S. official blessing. In addition, the brilliant performance of the mainland athletes gave the American common people a fresh, good impression, and thus diverted their line of vision so that the mainland won sympathy both with the high and the low in America. The success obtained by the Chinese communists in Los Angeles was really the biggest harvest since their united front. In the future there is bound to be development from cultural and sports interchange to economic, military, and political links. It can be foreseen that the Olympic model will bring more advantages to them than the years of Zhou Enlai's ping-pong diplomacy did.

Deng Xiaoping's view of "one country with two systems"--the so-called "Taiwan will practice capitalism, while the mainland practices socialism, with you not controlling me and I not controlling you, each tending to his own business"--if we expose it, is still a new-type united front trick. Before every one of his six articles was prefixed the working "After reunification." If China one day is reunified by the Chinese communists, who will be able to protect "letting you tend to your own business"? (Ankezhi), a former U.S. ambassador to Taiwan, in testimony to the Senate publicly stated that U.S. policy toward China was developing in the direction of "one China with two governments." Old Deng's "one China with two systems" seems to be a case of intentionally "passing off fish eyes as pearls"--passing off the sham as genuine--by using clever wording in an attempt to persuade Reagan to abolish relations with Taiwan. He saw to Yang Liyu [2799 0500 1342]. Our ways of doing things are not aimed at Taiwan, but rather at America's policy of two Chinas." Isn't this a case of "Sima Zhao's ill intent is known to all"--the villain's design is obvious.

Exactly what content there is in "one country with two systems," except for the several ideas listed in "Deng's six articles," up to the day of writing this article, I have not seen Old Deng further state in a more detailed and more specific way. A few months ago he said to Hong Kong

council member Ching Shih-yuan [6988 1102 0337]: "Hong Kong and Taiwan are now separated from China. If (Communist) China wants to annex Taiwan, or Taiwan wants to reuniite China with the Three People's Principles, and the two sides proceed along this path, then in the end there will be war and Hong Kong will also be taken back by force. This would be detrimental. The best thing is that neither annex the other. 'One country with two systems' is fair and reasonable." After an interval of several days he also said to T'ang Hsiang-ch'ien [0781 5046 0578], a representative of Hong Kong's industrial and commercial circles: "Why do we dare to propose 'one country with two systems'? Why did we decide on these policies toward Taiwan and Hong Kong? This is not easy to say. The policy of opening to the outside world is also practiced in the internal economy, because we know that the path we are taking is correct." The record of these two conversations was formally published by the Hong Kong Office of the XINHUA News Agency, and is believed to be reliable and really what Old Deng said and not a conjecture by outside circles. Based on these two conversations, we find two fairly specific parts: one is that "neither annex the other," and the other is that "the policy of opening to the outside world in the mainland's economy are not mutually exclusive. We cannot yet dare to say that the conclusion reached by this kind of deduction is correct, but at least we can see that the "one country with two systems" policy is heading in this direction. We might as well more deeply add the comment: isn't this direction to be the path to reunification?

Athletes of our country's two sides took part in the Los Angeles Olympics at the same time, breaking the stalemate in the confrontation over the years between the two sides of the strait. This was a new path that was blazed, and also a path that the two sides were willing to take together. Agreement on the Olympic model was finally reached after a long period of fierce dispute, and the two sides accepted this model. Although the motives of the two sides in accepting it were different, the model can be maintained for a long time; as for what its development will be in the future, I do not now dare to easily infer. However, we can reach two views: If the model is skillfully applied and the two sides take into consideration the interests of the country as a whole, or in other words, if the two sides categorically reject the onesided idea of one of them being dominant and mutually exert themselves to the utmost to establish the concept that the country is supreme, then there should be a great possibility that China will be reunified by means of this model. Also, it is a rational and optimistic view that the completion of reunification will not be far off. If the model is not applied properly but is steered to one side, then, because of this, the present split will be more prolonged and more deepened, and in the end China will be separated with two independent systems of government. This also is not an impossibility. Of course, we definitely do not want to see this pattern appear, but the key to whether it will appear is not in the hands of our scholars abroad.

According to a report in the 1 September issue of a New York Chinese-language newspaper, Professor Went Sung-jan [5040 2646 3595] has suggested that, with 1 July 2021 as the deadline, and with third parties mediating between the two sides, the governments on the two sides of the strait begin objective talks on China's reunification. America can play the part of a third party; similarly, Romania can act as a third party for the Chinese

communist side. During the transitional period, in the name of "Chinese TaiBei" or "Chinese Taiwan," Taiwan would join the United Nations and enjoy all the powers of a sovereign political entity. Of the many ideas put forward by scholars abroad in discussing the question of reunification, Professor Weng's suggestion is very prominent and bold. In my humble opinion, Taiwan should accept this suggestion and change its past attitude of not considering the matter, and, through America's mediation, hold talks with the Chinese communists. But it is rather doubtful that the Chinese communists will agree to this suggestion.

In their hearts people throughout the country and abroad hope for the early reunification of our country. The long-term split undermines the nation's vitality, and no one can bear to stand the continuation of this situation. Both sides of the strait have time and again maintained that there is only one China, but each side wants to be at the helm and to rely on a single side's subjective views to tidy up this messy situation. For us Chinese this is a big problem that is currently serious and imperative and that is one that we have been unable to find a way out of. Looking to the future, the Olympic model may after all be regarded as the first light of dawn. The key to whether China can be reunified is linked to the authorities in power on the two sides of the strait and to the hearts of compatriots throughout the country and abroad, but we want everyone to work together on it!

2 September 1984, New York

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